

WALES PROGRAMME MONITORING COMMITTEE
EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

Date: 9 September 2016

Time: 9.30am

Venue: Welsh Government Offices, Merthyr Tydfil

AGENDA

- | | | |
|---|---------------|------------|
| 1. Welcome and apologies | 09:30 - 09:35 | |
| 2. Minutes of February & July meeting, actions and other matters arising | 09:35 - 09:40 | |
| 3. Update on ESI Funds Progress, including portfolio development | 09:40 - 10:10 | |
| <u>To include:</u> | | |
| (a) Welsh Government Rural Development Programme | 10:10 - 10:35 | WPMC(16)74 |
| (b) ERDF Programmes | 10:35 - 11:00 | WPMC(16)75 |
| (c) ESF Programmes | 11:00 - 11:25 | WPMC(16)76 |
|
<i>**Break 11:25am – 11:35am**</i>
 | | |
| 4. Rural Development Programme Modification | 11:35 – 12:00 | WPMC(16)77 |
| 5. Cross Cutting Themes: Equal Opportunities and Gender Mainstreaming Annual Report | 12:00 – 12.20 | WPMC(16)78 |
| 6. Presentation: Swansea Bay City Region | 12:20 – 12:50 | |
| 7. Future PMC format and arrangements | 12:50 – 13.10 | WPMC(16)80 |
| 8. AOB | 13.10 – 13.15 | |
| [Paper to Note] - Technical Assistance Update | | WPMC(16)79 |

Lunch 1:15pm – 2.00pm

**EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020
WALES PROGRAMME MONITORING COMMITTEE (WPMC)**

**Friday 12 January 2016
Welsh Government, Merthyr Tydfil
09:30 – 13:00**

MEETING NOTES

ITEM 1: Welcome and apologies

- The Chair welcomed all present to the tenth meeting of the Wales 2014-2020 Programme Monitoring Committee (PMC). It was noted that one European Commission official, Guy Flament, Desk Officer for Wales, DG Regio was in attendance at the PMC for his last time.
- Wales now has one desk officer responsible for both Welsh ESF Programmes – Joanna Gawrylczyk-Malesa, from DG Empl, who will have an advisory role to the PMC.
- One new PMC member, Paul Byard, Business and Enterprise representative, was welcomed.

ITEM 2: Minutes of December meeting, actions and matters arising

- Terri Thomas (TT) advised that a comment submitted by DG Agri officials was omitted from the minutes and would need to be included.
- Damien O'Brien (DOB) advised that, under Item 5 in the Action Points, with the Chair's permission the PMC will receive a presentation from the Swansea Bay Partnership at the next meeting. This would be followed by a presentation at subsequent meetings from South East Wales, Mid Wales, and then North Wales. This would ensure that each PMC meeting had a regional focus, and would provide an overview of the issues and activities underway in each region. The Chair and PMC Members were in agreement with this proposal.
- A European Commission official advised that the papers presented to the PMC on the revised EAFRD Selection Criteria and the Financial Instruments Ex Ante Assessment for the Welsh Government Rural Communities: Rural Development Programme 2014-2020 should be placed on the agenda as separate items. It was requested that a revised agenda and minutes should be produced to reflect this point.

Action Point: Secretariat to produce and circulate a revised version of the agenda and to ensure that the minutes are drafted in line with the revised agenda.

ITEM 3: Update on ESI Funds Progress, including portfolio development:

- PMC was advised that, overall, 64 operations had been approved to-date for Structural Fund support worth £496 million. With associated match funding, these operations will, in turn, drive a total investment of over £1 billion.
- The Advanced Engineering and Material Research Institute was highlighted as a recently approved, private-sector led, research and innovation ERDF-funded project.
- Three recently approved ESF projects: GWLAD, a skills project, sponsored by Trinity St. David's; METAL 2, a Swansea University sponsored skills project; and Progress for Success, a Welsh Government sponsored young people's project were also highlighted. Whilst these projects are all in West Wales and the Valleys, it was noted that there is also a lot of activity in East Wales, with 25 operations already approved and with further approvals due to be announced in forthcoming weeks.
- New schemes, funded by the Welsh Government Rural Communities: Rural Development Programme 2014-2020, had been announced at the 'Start of Term' Event in the Liberty Stadium, Swansea on 11 February. Terri Thomas advised that the Deputy Minister for Farming and Food had launched the Sustainable Production Grant Scheme, the Timber Business Investment Grant Scheme, the Sustainable Management Scheme (which is similar to the previous Nature Fund), and Forestry Grants and schemes opening for EMFF.
- PMC was advised that project approvals to-date very much reflected the decision to focus on getting 'backbone projects' up and running quickly at the start of the programme period, with most of the early approvals being those being taken forward by Welsh Government Departments, Higher Education and the Third Sector. However, it was expected that the spread of project approvals will now widen to include more regional proposals.
- PMC was advised that, in part due to it not being possible for beneficiaries to make a profit from running EU funded projects, the number of projects being proposed by the private sector will inevitably be small, as was the case in the 2007-2013 programmes. However, data from the 2007-2013 Structural Funds Programmes does confirm that the private sector has been a major delivery agent of activities procured by EU funded projects. Procurement for the 2014-2020 Programmes is now underway, with it being anticipated that a similar trend will emerge. In addition to approved projects, PMC was advised that a

very healthy pipeline of projects exists across the priorities of the Structural Funds Programmes: there being no concerns about major gaps in provision.

- It was confirmed that the Welsh Government Rural Communities: Rural Development Programme (2014-2020) had proposals valued at £124million in the business planning stage. TT advised that EMFF was launched in the 'Start of Term Event' on 11 February 2016, having being previously launched at UK level, with Wales designated as an Intermediary Body. The Rural Communities Development Fund recently closed with 155 Expressions of interest, and is oversubscribed. The European Innovation Partnership (EIP) was launched in recent weeks by the Deputy Minister for Farming and Food. The EIP will develop operational groups. The Farming Connect Scheme delivery contracts have been fully awarded and this scheme is running.
- PMC was advised that the EU Funding Ambassadors had published their interim report, with their final report expected to be published in March.
- The closure of the 2007-2013 Structural Funds Programmes was reported as progressing well, with two-thirds of operations (some 200 projects) already closed, leaving ninety-six operations still to be closed.
- PMC was advised that the Ex Post Evaluation of the 2007-2013 Programmes would commence soon and will complement individual project evaluations in helping to draw out lessons to be learned from the programmes overall. An event is to be staged in autumn 2016 to provide stakeholders with an opportunity to reflect on the knowledge derived from both programme and project evaluations.
- PMC was told that as part of the Welsh Government Rural Communities: Rural Development Programme 2014-2020, the LEADER Local Action Groups are now developing projects in their areas, with recruitment to the Wales Rural Network Steering Group in progress.
- PMC was informed that the Horizon 2020 Annual Event will take place on 17 March. Also, Europe Day 2016 is on 9 May and WEFO will join project sponsors and partners in celebrating the achievements of the European Funds in Wales.
- PMC was advised that the budget figures provided in PMC reports for Structural Fund programmes included an amount linked to the 6% Performance Reserve: WEFO's ability to access this percentage of the programme funding being dependent upon satisfactory programme performance, in the period up to 2018, measured against metrics set out within the agreed Performance Framework. Unsatisfactory progress would

provide the European Commission with the option to withhold the funding or to re-allocate it to other priorities.

- WEFO reported that it is continuing to work towards designation of its Structural Funds Management and Control System.

Discussion Points:

- PMC members felt that, whilst recognising that Programme implementation was still at an early stage, it was important for the PMC to start to receive more detailed reports that showed how programme performance was evolving.
- PMC members were interested to know more about the extent to which projects being approved are proving to be different from those approved under the 2007-2013 programmes and the extent to which they have the potential to achieve transformational effects in the Welsh economy.
- Members commented that the latest GVA figures suggest that Wales is not performing well: productivity flat-lining whilst in England there are signs of recovery. Members felt that gaining greater leverage for EU funds meant doing things differently: for example the European Commission has placed an emphasis on smart specialisation and it would be useful for the PMC to receive an overview on how approved operations connect with this agenda.
- A PMC member commented that there was also a need to continue to look at wider funding opportunities and at how these add value to the ESI Funds.
- It was felt important that Welsh Government economists be invited to keep the PMC informed on the latest trends within the Welsh economy: the Chair requesting that a paper be produced for the next PMC meeting.
- The Chair commented that it was particularly important to be able to demonstrate the impact of EU funding in the context of the forthcoming EU referendum. Imminent events, planned in relation to Horizon 2020 and Europe Day, represent important opportunities to promote public awareness of the benefits that EU funding brings to Wales. In an ensuing discussion around what Partners could do to further raise public awareness, concern was expressed over the extent to which the Lobbying Act limited the third sector's role in promoting the European Funds. PMC were informed that the sector had sought advice from the Electoral Reform Society on this point.
- PMC was advised that some local authorities have motions in place to promote Wales' membership of the EU and that, in this context, it would be helpful if the facts and figures for each Local Authority area were to be shared via the WEFO website.

- The PMC noted that NFU Cymru had not yet taken a position on the EU Referendum but had published a document which set out the relevant facts and figures to inform discussion.
- A PMC Member asked whether the recruitment to the Wales Rural Network Steering Group was now complete.

Responses:

- TT advised that 25 applications had been received for the Wales Rural Network Steering Group and that these were under consideration. The Natural Resources Minister had asked officials to ensure gender balance within the Group.
- DOB acknowledged the fundamental nature of questions raised around whether operations now being approved had real transformational potential. He confirmed that the intention remained to invest sensibly in interventions which deliver against key priorities and which can help to re-energise the Welsh economy. In this context, DOB suggested that future PMC meetings might benefit from receiving updates on what is happening both regionally and thematically. This would provide a 'window' through which PMC members could gain reassurance on the extent to which the goal of investing in strategic operations, in an integrated and concentrated manner, is being realised.
- DOB advised that work with WG economists is ongoing in relation to assessing the impact of the programmes and that WEFO would arrange for regular updates on economic trends to be received by the PMC as requested. DOB agreed that the paper requested by the Chair would also help introduce greater clarity for PMC members.
- DOB confirmed that the forthcoming Horizon 2020 event provided an important opportunity to launch the annual report on how Wales has improved its performance in accessing this funding stream. It provided a useful platform for announcements on Wales' successes and the important work ongoing in partnership with HE and businesses. It would also allow WEFO to demonstrate how Structural Fund support has been aligned to help Wales' stakeholders derive maximum benefit from Horizon 2020, ERDF and ESF, with funding being deployed to boost HE capacity and skills.
- PMC was advised that Europe Day will involve a week of announcements and publicity and that WEFO will ensure that partners and sponsors are involved in activities geared to promote the benefits of the funds for individuals, businesses and communities.

- DOB considered that third sector organisations' involvement in Europe Day activities would not be classed as 'lobbying': all sponsors have a legal obligation to promote the benefits of the funds to beneficiaries and to celebrate the value added by the European Funds.
- DOB advised that it was always intended that the PMC would receive more detailed reports on programme performance once the investments and commitments start to bear fruit. It is anticipated that such reporting would commence later in 2016.
- DOB agreed with the importance of partners having readily accessible reports: the most powerful messages are those which centre on how people and businesses have benefitted from the European Funds. Social media is also powerful and because of this, WEFO has made extensive use of Twitter. It remains important that all stakeholders should engage in communicating the benefits of the funds, to complement these messages from government.

ITEM 3(a): Welsh Government Rural Communities: Rural Development Programme 2014-2020

- TT explained that much of the progress made on the Welsh Government Rural Communities: Rural Development Programme was covered in the previous ESI Funds Presentation. Progress has been made with scheme openings. Much of the Programme spend to date has been under the Glastir schemes, as these are existing contracts. A sectoral breakdown of schemes in each area was provided in the paper provided for PMC members.

Discussion Points:

- A member welcomed the progress report on the Welsh Government Rural Communities: Rural Development Programme 2014-2020. An update on whether there are any plans to launch a similar scheme to the Young Entrants Support Scheme in the new Programme was requested. This member also asked about the linkages between this Programme and Horizon 2020.
- A member commented that the Knowledge Transfer and Innovation Measures are aiming to engage 13,000 farmers, which is a large number, given that there are 18,000 farm holdings in Wales. This member asked about the steps that will be taken to guard against double counting of beneficiaries. Another member pointed out that the impact of the investment is important, not necessarily the number of beneficiaries engaged.

- A member noted the meeting that the Wales Rural Network Support Unit had with the European Commission, Wales in January and asked if there are further plans for communications activity to promote the funds.

Responses:

- TT advised that there are future plans to access Horizon 2020 funding, but the European Innovation Partnership is in its early stages and would need to develop an understanding of the role of Horizon 2020 for the sectors, as well as the nature of the organisations that are involved in accessing this funding. In relation to young entrants to farming, the new Programme contains provision to support this group, although the most effective way to offer this support is to be decided. A change for the new Programme are new regulations on the amount and nature of support provided, as the investment is made at the level of the individual. There are ongoing discussions on how best to offer this support, but options under consideration would include a young farmers' element for payments made under Pillar 1, and targeted elements in the Farming Connect and Sustainable Production Grant schemes.
- TT advised that she will seek clarification from Gary Haggerty on this point. Under European Regulations, where a beneficiary accesses two separate elements funded under the Knowledge Transfer and Innovation Measures, this is counted as two beneficiaries. However, there is a customer relationship management system in use for these measures and it may be possible to make smarter use of it.
- TT advised that there are ongoing activities to promote the funds, and a joint agreement is in place. A range of channels are being used, including: the Welsh Government website, social media, booklets with case studies of innovative projects, and thematic workshops. Officials are working closely with both the WEFO Communications team and the European and External Affairs Division.

EAFRD Selection Criteria

- Two of the proposed Selection Criteria relate to new schemes: Timber Business Investment Scheme and the Sustainable Management Scheme. There is also one amendment in relation to the Supply Chain Development and Co-operation Measure.

Discussion Points

- One member queried that applicants were scored against 'additionality' as one of the criteria, rather than setting it as a requirement from the outset. This member also queried that the outputs were weighted less than 10% on the scoring criterion. It was also queried why pages two and five of paper WPMC(16)73 Annex 1 had the threshold for the criteria set as 'at least nine lows'.
- A European Commission official advised that a paper on the revised consolidated version of the EAFRD Selection Criteria should be presented to the PMC at its next meeting.
- A European Commission official further suggested that in the Selection Criteria paper circulated it could be mentioned that the favourable opinion of the PMC was provided by written procedure on 18 September 2015.

Responses

- TT responded that these selection criteria apply to initial expressions of interest, which are scored from 0-5 on 'additionality'. Applicants are required to set out 'additionality' so that they can be scored against it. The EOI stage is a filter stage, and it should be noted that not all sub-measures are monitored by outputs. Inputs are critical for some sub-measures, such as the percentage of Welsh lamb processed, rather than outputs such as number of jobs created and turnover. The scoring threshold has been set by policy leads, so TT will seek their clarification on this point. It should be noted that successful EOIs would go through a full application process. An explanation on this point will be added to the form.
- TT advised that at its next meeting, the PMC will receive a paper on the Selection Criteria and how these apply to the Sub-Measures.
- Subject to taking into account suggested clarifications, the PMC gave its positive opinion on the proposed changes to the selection criteria.

Item 3(b) ERDF Programmes Update

In updating the PMC on progress with the European Regional Development Fund, Sue Price (SP) advised that:

- ERDF Programmes continue to make good progress. In total, 26 operations have been approved, 16 in West Wales and the Valleys and 10 in East Wales. The pipeline projects include the last few remaining backbone projects. There is a very healthy pipeline of projects.
- The Business Wales Fund is to be the successor to Jeremie.

- The Regional Engagement Teams are doing some good work in terms of prioritising sites for infrastructure investment across the regions.
- WEFO is expecting to fund some gap fillers to add value to backbone operations.
- The JASPERS approach is being adopted for major projects, such as the Metro. Alan O'Brien is the appointed JASPERS expert for the Metro and a recent meeting had taken place with him.
- It remains too early to access data on how ERDF funded activities are contributing towards raising GVA and productivity. However, the WEFO approval process seeks to ensure that only operations that can deliver the best results in terms of their contribution to the wider economy are supported. This is a key focus of the business planning stage of the process.

Discussion Points

- In respect of the renewable energy and energy efficiency priority and the requirement for rental properties to be energy efficient by 2018, a member sought clarification around the timescales for approval of the Warm Homes operation. A member sought clarification over which section of the A40 it is proposed should be upgraded to dual carriageway.
- A member asked which seven railway stations were to be improved under the NCIP Phase 2 operation.
- A European Commission official welcomed the information presented in the update paper, but noted that it would be helpful for the PMC to receive information on expenditure in future.
- A European Commission official queried whether the commitment target to the end of 2015 was 30% and Wales' relative performance against that target. The official also asked what the commitment target was for the end of 2016.
- A European Commission official asked for the PMC to receive an update on the use of the Technical Assistance budget.

ESF Update

- Jane McMillan (JM) advised that the ESF Programmes continue to make good progress. Thirty-three operations had been approved, and a further five operations were set to be approved over the next few days.

- In terms of the financial allocations, the West Wales and the Valleys Programme is already ahead of its commitment target and, as there is a very healthy pipeline of projects, the target to commit 50% by the end of 2016 will undoubtedly be met.
- Tackling poverty through employment, developing skills, tackling NEETs, supporting young people into employment are all structural challenges addressed by ESF. These are very different Programmes to the ERDF programmes in terms of delivery, with the Economic Prioritisation Framework being used to inform sectoral targeting of investments in skills development, with a well developed portfolio of investments in skills in place.
- Good progress continues to be made with the Youth Priority. In addition to Welsh Government backbone projects a range of local government and other regional projects are progressing well.
- The tackling poverty through sustainable employment priority is focused on the long-term unemployed and the economically inactive. Monitoring of the investment portfolio has identified a few gaps in provision which need to be filled. In West Wales a gap exists in relation to the need to address underemployment in work. In East Wales, a gap has been identified for supporting individuals with drug and alcohol addiction into employment.
- As with ERDF, no financial claims had yet been submitted by operations. However, it is not anticipated that this will be an issue for Programme spend. In terms of participant numbers, the ESF Programmes are performing well and will more than achieve the Performance Reserve targets.

Discussion Points

- A member asked whether the Healthy Working Wales project has links to the UK Government's Fit for Work scheme, and where this project was being delivered. This member was also pleased that support was being provided to tackle underemployment as this is a growing issue, for example, where people cannot get the working hours they need in their local areas, with part-time work and zero hours contracts being increasingly common and with the number of full-time contracts declining.
- The Chair asked whether anything can be done with procurement to minimise use of zero hours contracts.
- A member pointed out that the Engagement Gateway operation is now targeting more disadvantaged participants than previously.
- A member endorsed the emphasis placed on tackling poverty: multiple interventions being important in this area.

- A European Commission official commented that over 30% of ESF funds are committed, and felt that it would be useful if future progress reports issued to the PMC included the progress made on the indicators included in the Operational Programme.
- A member asked how many participants under the ESF Skills Priority have gained Levels 3 and 4 qualifications in the provision of care and whether this data could be broken down by Local Authority area and the third sector.
- A member commented that the mechanisms in place to prevent duplication in the current ESF and ERDF Programmes are good and queried whether there is capacity to check for such duplication in respect of activities funded by Horizon2020 and Interreg?
- A member asked whether there was evidence of ESF investments in skills aligning with operations being taken forward with ERDF support.
- A member commented that it is important to take a long-term view. In their experience in other groups, where multiple interventions are in place, these can undermine a strategic sense. It is important to have remedial actions in place which tackle the underlying causes of interventions. There are many factors involved in this, how is it best to feed back information and vision?
- In relation to the points made on underemployment and upskilling, a member asked where the self-employed would fit in? There is a group amongst the self-employed who are not earning the minimum wage and are compelled to be self-employed. This is a particular issue for rural communities, as there are fewer opportunities for full-time employment.

Responses

- JM advised that the Out of Work Service is targeting participants with drug and/or alcohol dependency, and is a niche project. The Healthy Working Wales In Work project will provide support to people in employment with long-term health limiting conditions. This is a pan-Wales project and will be delivered in areas with identified need.
- Ethical procurement has an important role to play in minimising the use of zero hours contracts.
- JM advised that the next report issued to the PMC will report against the indicators in the Operational Programme. Peter Ryland (PR) added that, for reporting to be meaningful, it is important that there is sufficient data held on

outputs. This data is provided at the point where sponsors are submitting their claims to WEFO.

- JM advised that the approach of the current Programmes has been to keep the activities funded under review, as it is important that the Programmes add value. The European Territorial Co-operation Programmes are managed in WEFO and there is an ongoing dialogue between officials on the activities funded in relation to the ESF and ERDF Programmes.
- A Welsh Government official added that there is activity underway at a policy level to map activity across the skills, employment and youth areas. Recent engagement has taken place with the Department of Work, Pensions and Skills over the Work Programme. There are opportunities for the PMC to receive and update on this work at a future meeting.
- JM commented that officials are working on mapping activities and engagement. In particular, there are regular meetings with project sponsors engaged in addressing youth employment and tackling poverty as these areas have the greatest potential for duplication.
- JM advised that some synergies in skills investments are emerging, although the proof clear opportunities for the investments made under ERDF Priority 1 in centres of excellence to complement ESF investments made in higher-level skills. The 2007-2013 Structural Funds Programmes include interventions where such alignment has occurred.
- JM commented that these issues are wider than the Structural Funds. The ESF indicators are focused on the numbers in employment and the structural challenges in the labour market. It is important to assess the added value of ESF and how interventions work in areas. It is possible to feed into this through evaluations and quantitative assessments and for partners and policymakers to pick up on the learning points, although we are at an early stage in the Programmes.
- A Welsh Government official added that the Skills, Higher Education and Lifelong Learning Directorate is currently looking carefully at the range of employability interventions. There is work underway, at both regional and national levels, which should report by the autumn and should assist in the development of standardised assessments and categorisations in identifying the barriers for individuals seeking to access employment. This work is taking place JM advised that the Skills for Growth project is focused on upskilling those in employment, including the self-employed.

ITEM 5: ERDF Financial Instruments Assessment: Presentation of Key Findings and Recommendations

- Ken Cook (KC) introduced the item and explained that, whilst Ex Ante Assessments for Financial Instruments are regulatory requirements, they are also useful exercises.
- Neil Evans (NE) from Regeneris gave a presentation on the Ex Ante Assessment for the Wales Business Fund. The Ex Ante Assessment had to follow a specific process set out by the European Commission. The first stage involved a market assessment. Despite there being lots of literature on market failure, it is very challenging to quantify the nature of the finance gap that the Financial Instrument would attempt to fill. However, there is a decade's worth of experience in Wales of investing in this part of the market, and the assessment points to a gap of some £24m to £32m per year or £120m to £160m over five years (excluding debt for microbusinesses).
- The Ex Ante Assessment concluded that the Wales Business Fund had a good fit with the ERDF Programmes and was consistent with other key SME, sector support and research and innovation initiatives.
- The level of funding now proposed was deemed to be sensible but the main risk to establishing a new intervention is the timing of the returns on investment (legacy funding) needed from the 2007-2013 JEREMIE fund.
- Deal level co-investment is likely to be more challenging for debt than for equity.
- In conclusion, the assessment demonstrated Wales Business Fund is based on robust market evidence, is underpinned by a full consideration of lessons of similar Financial Instruments and is generally sound and deliverable.

Discussion Points:

- A member asked if there were any plans to survey Fund applicants, including the unsuccessful ones.
- A member asked how the approach taken to develop the Fund in Wales has differed from the approach taken in England.
- A member asked what the role of the PMC was in relation to the Wales Business Fund and its Ex Ante Assessment and whether Financial Instruments were being considered by other areas of the Programmes.

- Another member asked specifically about the plans for Financial Instruments in the Welsh Government Rural Communities: Rural Development Programme 2014-2020.
- A member asked whether the Ex Ante Assessment looked at the targeting principles of the Wales Business Fund.
- A European Commission official queried whether the expected value of the legacy funding from the 2007-2013 JEREMIE fund was too low, particularly when compared with what was being expected in England. The official also queried whether the proportion of funding allocated to equity was too low.

Responses:

- NE explained that Finance Wales monitors the experiences of successful and unsuccessful applicants and this area is being investigated in the JEREMIE evaluation. Generally the findings are positive but there is some dissatisfaction around speed of response. Ongoing feedback is important. A Finance Wales official added that Finance Wales has been criticised on speed of response before and is attempting to address this through implementing a fast-track approach for micro-loans with a two day turnaround on loans less than £5,000. Finance Wales is also expanding its research and intelligence function to gather more evidence to improve delivery of the Fund on an ongoing basis.
- NE advised that in England there are no plans to implement an all-England Fund. Instead, Local Enterprise Partnerships (LEPs) will form geographic collaborations. Discussions are still ongoing on this.
- NE explained that the Ex Ante Assessment looked at the targeting principles and concluded that a generalist approach with a 'nod' to the Welsh Government priority sectors was the correct one. The Wales Business Fund is not the only business fund operating in Wales. There are other funds, including sector funds, and funds which can invest at higher levels. A Finance Wales official added that there is an expectation that the equity element of the Wales Business Fund will align with the smart specialisation agenda in Wales.
- KC advised that the Ex Ante Assessment was being presented to the PMC for information and discussion, not approval.
- Tom Smithson (TS) pointed out that other Ex Ante Assessments are underway on other areas of the Programmes. TT noted that Regeneris had done some initial work on the possibility of Financial Instruments in the Welsh Government Rural Communities: Rural Development Programme 2014-2020 but that this was in the early stages of developing the Programme. This work

will now be looked at again and the Welsh Government is one of only three Managing Authorities that have been invited to work with the EC and FI Compass to receive coaching on Financial Instruments.

- A European Commission official added that Ex Ante Assessments to inform the use of Financial Instruments in EAFRD are particularly important as there is limited experience to draw on. The official expressed some concern that a potential Financial Instrument would not be introduced in the Welsh Government Rural Communities: Rural Development Programme 2014-2020 until 2018. TT advised that this approach has been taken because of the complexities and uncertainties around delivering Financial Instruments in EAFRD. A member added that Financial Instruments are not the only mechanism to support businesses as some of the barriers to business investment and development are not financial ones.
- A Finance Wales official advised that the predicted value of the legacy funding from 2007-2013 JEREMIE was a conservative estimate to be used for planning purposes. Finance Wales expects the true value to be higher than this. The official explained that one fund manager will be appointed so that virements can be made between the allocations for debt and equity. KC pointed out that a larger equity fund would be more risky.
- NE added that the JEREMIE Fund in North West England had a large equity fund but this made it less resilient to the financial crisis because businesses did not want equity investment during the financial crisis.

ITEM 7: Financial Instruments and the Welsh Government Rural Communities: Rural Development Programme 2014-2020

- TT presented a paper on Financial Instruments and EAFRD. The scope for the Financial Instruments Ex Ante Assessment is currently being developed. Wales is one of three Managing Authorities in Europe to receive targeted coaching from the European Investment Bank on the use of Financial Instruments in EAFRD. There is a possibility that Financial Instruments will be introduced into the new Programme in 2018.

Discussion points:

- A European Commission official welcomed the inclusion of this point on the PMC agenda. It is a priority for the Commission to make use of Financial Instruments to help achieve an optimal use of public and private funds. This is important for the EAFRD for two reasons: many Member States have no experience in the use of Financial Instruments, and those that have made use of them have had mixed experiences. It was noted that the intention would be to introduce Financial Instruments in 2018, although it is an evolving process, it is important to keep this timescale under review. The targeted coaching

should help to shorten the steps to make Financial Instruments available earlier.

Responses:

- TT advised that the targeted coaching will be helpful in exploring the options, and in carefully designing and targeting the offer. The timescales will be kept under review.

ITEM 8: ERDF Metro Development

- Mark Barry outlined the strategic context for the Metro, including the vision and overarching plan. This is a major project that will boost the economic wellbeing of the region, and will help to create a coherent City Region.
- Densely populated areas in South East Wales are disconnected from public transport hubs, for example St. Mellons, Church Village, and the area north of Merthyr Tydfil. The rail network is also constrained by existing rail capacity, which limits the improvements that can be made.
- The Welsh Government is committed to making the Metro happen, with the First Minister stating that the Metro is a key Welsh Government priority. There are plans to deliver both faster and more frequent services, and to integrate rail and bus services. The network also needs to be extendable for communities that currently are not covered by public transport provision.
- Phase 1 of the Metro project is currently underway, which has utilised ERDF funding, and is primarily focused on the Ebbw Vale line. The intention is to provide two-to-four services each hour on this line, as well as a possible extension to the line. Phase 2 of the Metro will focus on major transformation and the future plans to extend the network.
- Tony Meacham explained that officials are currently developing the specification, with the intention to go out to procurement at the end of March. This will secure an operation and development partner who will undertake some of Network Rail's current functions. It is likely that there will be a concession model, with a contract duration of 10-15 years.
- The procurement process will use a competitive dialogue process. Tenderers will be required to deliver against a set of key outputs, but they are responsible for determining how these will be delivered.

Discussion Points:

- The Chair thanked the two presenters for attending the meeting.

ANY OTHER BUSINESS

- The Chair noted that this will be the final PMC meeting attended by Guy Flament (GF).
- GF explained that he first started working with the Welsh Managing Authority ten years ago, and how he has enjoyed working with Welsh officials in many ways, recognising their respected standing. GF invited WEFO to be ambitious in achieving the maximum benefits from the European Funds, and to increase the role of the private sector in the Programmes. The PMC should continue to act as a critical friend in supporting WEFO to meet its targets.
- DOB recognised GF as an expert in his field and for being a true friend of Wales over a sustained period of time. He said that GF is very much valued and respected for the professionalism of the advice and support he has provided to Wales over many years and took the opportunity to wish him every future success.

Wales PMC European Structural and Investment Funds 2014 -2020
Meeting held 12 February 2016
Welsh Government Office, Merthyr Tydfil

Chair – Mick Antoniw AM

Members nominated on a representative basis, from partners and statutory bodies:

Derek Walker	Social Economy (Wales Cooperative)
Julie Cook	Trade Unions (Wales TUC)
Karen Anthony	Rural Economy (CLA – County, Land and Business Association)
Peter Crews	Trade Unions (Wales TUC)
Rachel Lewis Davies	Farming and Rural businesses (NFU)
Paul Byard	Business and Enterprise (Commerce Cymru)
Rudi Plaut	Business and Enterprise (Commerce Cymru)
Dr Greg Walker	Further Education (Colleges Wales)
Arfon Williams	Environmental NGOs (Wales Environment Link /RSPB)
Rhian Jardine	Environmental Sustainability (Natural Resources Wales)
Lowri Owain	LEADER
Cllr Ronnie Hughes	Local Government (WLGA)
Lowri Gwilym	Local Government (WLGA)
Jocelyn Llewellyn	UK Government (Jobcentre Plus)
Catherine Jenkins	Welsh Government (Economy, Skills and Natural Resources)
Matthew Quinn	Welsh Government (Economy, Skills and Natural Resources)
Matt Brown	<i>Alternate for Phil Fiander – Third Sector (WCVA)</i>
Tove Oliver (David Blaney)	<i>Alternate for Dr David Blaney – Higher Education (HEFCW)</i>

Members selected via the Public appointments process:

Beth Winkley
David (Dai) Davies
Dr Grahame Guildford
Joy Kent
Prof Richard Davies
Sian Price

Advisors:

Leo Maier	European Commission Head of Unit F.2, DG Agri
Marek Beran	European Commission, UK Desk Officer responsible for the 2014-2020 Programme, DG Agri
Guy Flament	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Kristina Kuzmanova	European Commission, UK Desk Officer responsible for

	the 2014-2020 Programmes, DG Regio
Joanna Gawrylczyk-Malesa	European Commission, Desk Officer for ESF Programmes, DG Employ.

Programme Managing Authorities:

Welsh European Funding Office / Department for Economy, Skills and Natural Resources

Damien O'Brien	Chief Executive, WEFO (ERDF, ESF)
Andrew Slade	Director, Agriculture, Food and Marine (RDP)
Terri Thomas	Head of Rural Development Division (RDP)
Peter Ryland	Deputy Director, Programme Performance & Finance (ERDF, ESF)
Sue Price	Head of ERDF Programmes
Jane McMillan	Head of ESF Programmes
Rob Halford	Head of Planning and Strategy
Ken Cook	Head of Finance and Business Branch
Andy Falley	Deputy Director Infrastructure Delivery
Mark Barry	Welsh Government
Anthony Meacham	Welsh Government
Rhian Power	Environmental Sustainability Adviser, WEFO
Chriss O'Connell	Head of Cross Cutting Themes Branch
Justin Chipp	Project Development Officer, WEFO
Dafydd Munro	EU Rail Programme Manager, Department for Economy Skills and Natural Resources
Simon Dupree	Cross Cutting Themes Branch, WEFO
Kim Wigley	Research Officer, WEFO
Victoria Seddon	Secretariat
Kathryn Helliwell	Secretariat

Guest Presenter:

Neil Evans	Regeneris Consultants
------------	-----------------------

Observers:

David Hughes	European Commission
Barbara Burchell	Local Government
Hazel Wright	Farming and Rural businesses (FUW)

APOLOGIES

Tom Whyatt	Business and Enterprise (Industry Wales)
Dr David Blaney	Higher Education (HEFCW)
Phil Fiander	Third Sector (WCVA)
Duncan Hamer	Welsh Government (Economy, Skills and Natural Resources)

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020

PROGRAMME MONITORING REPORT

Overview

This paper provides an update on the implementation of the European Structural and Investment Funds Programmes: the Rural Development Programme 2014-2020, the West Wales and the Valleys ERDF and ESF Programmes and the East Wales ERDF and ESF Programmes. Fund-specific reports can be found at Annexes 1 to 3. All data is at 31/07/2016.

The planning rates used in the report are £1:€1.25 for the Structural Funds Programmes and £1:€1.18 for the Rural Development Programme 2014-2020. References to the previous PMC meeting given throughout refer to the February 2016 PMC meeting.

Overall position

- 108 operations worth £1,756m (including EU funding of £815), are currently being supported by the Structural Funds and will assist over 40,000 businesses and provide training/employment support for over 281,000 people.
- The RDP 2014-2020 currently supports a total of 7,338 agri-environment contracts, covering 528,010ha, along with 553 new organic contracts covering 68,440ha.

Financial progress

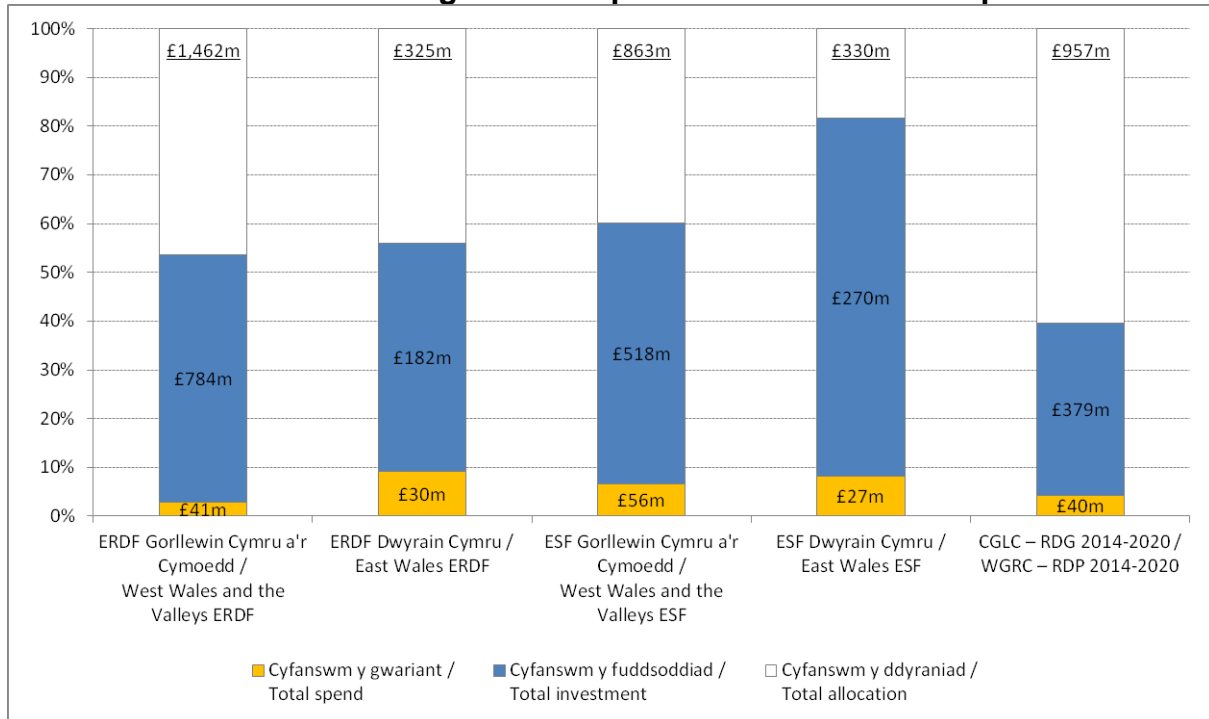
Commitment

- Under the ERDF Programmes, total commitment currently stands at £968m, of which £438m is EU funding (54% of programme allocation).
- Under the ESF Programmes, total commitment currently stands at £788m, of which £377m is EU funding (66% of programme allocation).
- Under RDP2014-2020, total commitment (including approvals and EOI rounds) currently stands at £530m (55% of programme value) of which £339m is EU funding.

Spend

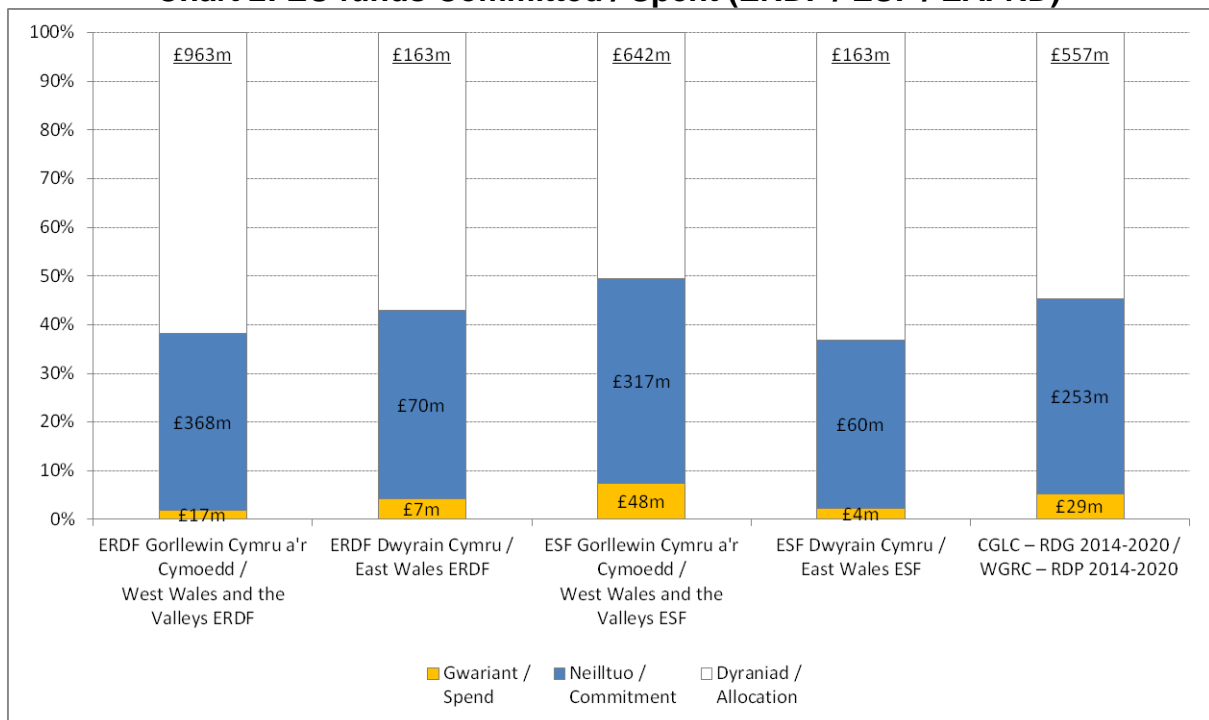
- Around £71m of total spend has been recorded under the ERDF Programmes, of which £24m is EU funding
- Around £83m of total spend has been recorded under the ESF Programmes, of which £51m is EU funding
- Just over £40m spend has been recorded across the RDP2014-2020.

Chart 1: Total Programme Expenditure Committed / Spent



For RDP 2014-2020 Total Programme Expenditure consists of EAFRD along with Welsh Government domestic funding. For the Structural Funds Programmes it consists of ERDF or ESF along with match funding.

Chart 2: EU funds Committed / Spent (ERDF / ESF / EAFRD)



Output Data

The 'project forecasts' included in these reports describes the total achievement against indicators expected to be delivered by all approved projects.

Project reporting against indicators will always lag spending. As yet only a limited amount of performance data has been received as relatively few claims have been

submitted by projects to the Managing Authorities. This is part reflects 'mobilisation' phases during which the operational capacity of projects is being built up. Progress reports from beneficiaries indicate that implementation is underway, with attendant benefits accruing to the people and businesses across Wales; but performance data is derived from the claims submitted. by projects, with few having been notified at this stage in the programme cycle. The Managing Authorities will be placing a strong emphasis over the coming months on ensuring claims are submitted on schedule and processed to allow performance data to be accurately captured and reported. This situation is consistent with delivery and reporting during the 2007-2013 programmes, with reporting of outputs taking place from 2010 (equivalent to 2017). It is also important to highlight the distinction between the various indicators that apply to each objective, as each indicator has a different weighting in terms of its importance dependent on the objective concerned. In selecting and defining indicators care has been taken to ensure that indicators do not drive perverse behaviours and that the intervention logic remains the primary driver of all activity. This requires recognition of the challenges that exist around setting meaningful target values; in particular where there is a significant shift in approach and we do not have historic data on which to base expectations. Indicators also only tell part of the story (e.g. they can count quantities, but cannot necessarily reflect the quality of interventions).

Annexes

Annex 1: ERDF Update

Annex 2: ESF Update

Annex 3: WGRC-RDP 2014-2020 Update

Annex 1: ERDF Update

Section 1: ERDF Programmes: Commitment

This section gives details of current financial progress under the ERDF Programmes, including an overview of the Programmes and information at Priority-level.

Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ERDF Programmes, along with the potential EU Grant committed if Operations at Business Planning and Pre Planning stages are taken forward.

Table 1: EU Grant Commitment: Approved, Business Planning and Pre Planning stages

Planning Stages				£ Millions			
Programme / Priority Axis	Operations			EU Grant Commitment			
	Approved	Business Planning	Pre Planning	Allocation*	Approved	Business Planning	Pre Planning
West Wales and the Valleys ERDF							
Priority 1	13	5	0	239.5	160.2	39.2	-
Priority 2	6	1	1	166.4	114.6	1.6	2.0
Priority 3	3	6	2	136.7	16.6	70.1	2.0
Priority 4	3	8	3	401.0	74.1	109.4	106.3
Priority 5	4	3	0	19.3	2.0	17.0	-
Total	29	23	6	962.8	367.5	237.3	110.3
East Wales ERDF							
Priority 1	6	2	1	71.3	43.5	17.0	-
Priority 2	6	1	0	31.9	26.1	0.5	-
Priority 3	0	1	0	17.9	-	5.1	-
Priority 4	0	2	1	38.3	-	3.6	26.7
Priority 5	3	3	0	3.3	0.2	3.1	-
Total	15	9	2	162.6	69.8	29.3	26.7
Total ERDF	44	32	8	1,125.5	437.3	266.6	137.0

Source: WEFO, 31/07/2016

* EU Grant Allocation based on conversion rate of £1:€1.25

Overall Programme Update

The two ERDF Programmes continue to make good progress with 44 operations approved committing £437 million grant being 39% of the programme values an increase of £201 million grant since the PMC met in February 2016. As expected parts of the ERDF programmes are more advanced than others in terms of approvals and operations in the business planning phase but this is typical of how the ERDF develops over time but overall interest across the programme areas continues to be good.

Annex 1: ERDF Update

Section 2: Progress by Priority Axis Priority 1: Research and Innovation

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO1.1: Research capacity	5	£95.8m	£68.8m	72%	3	£26.9m	£18.2m	68%
SO1.2: Commercialisation	8	£143.7m	£91.4m	64%	3	£44.4m	£25.3m	57%
Total Priority 1	13	£239.5m	£160.2m	67%	6	£71.3m	£43.5m	61%

Source: WEFO, 31/07/2016

Approvals since the PMC met in February 2016

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
SPECIFIC	£26.3m	£15.0m		
Computational Foundry	£26.0m	£17.1m		
ASTUTE 2020	£14.7m	£10.0m		
FLEXIS	£14.6m	£9.6m	£9.8m	£5.6m
CEMET	£6.4m	£4.2m		

The Research and Innovation portfolio continues to develop well with over 66% of available resources committed. The focus thus far has been on developing and approving strategic and/or backbone operations which will deliver key elements of the R&I portfolio; the aim of which is to support a step change in the knowledge economy in Wales. There is a good spread of investments across both Specific Objectives (building research capacity and commercialising R&D).

Investments under this priority are also being made in accordance with the principles of 'smart specialisation', whereby investments are targeted in accordance with the Welsh smart specialisation strategy (a combination of *Science for Wales* and *Innovation Wales*). This process involves specialist advice, where appropriate, from the Innovation Advisory Council for Wales. In general there is a good split across the four 'Grand Challenge' areas which set the broad context for Wales' approach to Smart Specialisation, with a number of specialisms within those areas being identified.

The portfolio is also making a number of investments in the low carbon energy and environment sector that support the EU-wide target for 20% of all EU expenditure on activities that contribute to the reduction of climate change.

Annex 1: ERDF Update

Table 2: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO1.1 To increase the success of Welsh research institutions in attracting competitive and private research funding	Amount of research funding secured	£165m	£41m	£65m	£28m
	Number of enterprises cooperating with supported research institutions	160	397	90	126
	Number of improved research infrastructure facilities	6	3	2	1
	Number of new researchers in supported entities	470	91	290	59
	Number of researchers working in improved research infrastructure facilities	200	83	110	61
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	98	300	67
	Number of enterprises supported to introduce new to the firm products	725	275	440	117
	Number of enterprises cooperating with supported research institutions	1,212	57	715	4
	Number of enterprises receiving grants	520	342	320	305
	Number of enterprises receiving non-financial support	3,750	907	2,245	435
	Number of new enterprises supported	30	13	20	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€44.7m	€26.2m	€25.5m
	Employment increase in supported enterprises	1,125	392	670	136
	Number of patents registered for products	519	162	315	75
	Number of pilot projects completed	n/a	48	n/a	-
	Enterprises adopting or improving:				
	- equality and diversity strategies and monitoring systems	956	-	515	-
	- sustainable development strategies and monitoring systems	956	-	515	-

Source: WEFO, 31/07/2016

Annex 1: ERDF Update

There are some variances within this priority compared to what might be expected given the financial allocation committed (i.e. on a pro-rata basis); in particular for the commercialisation objective (SO1.2). Early investigations suggest this is a combination of beneficiaries' interpreting indicators more stringently than intended, beneficiaries also exercising greater caution given previous experience of providing over-optimistic forecasts, and the effect of a significant shift in the targeting approach.

The shift in the targeting approach for this Priority – in comparison to previous programmes (which were used as a basis to set programme targets) – particularly affects the commercialisation objective (SO1.2). The 2014-2020 programmes seek to target more firms containing 10 or more employees, and place more emphasis on those micro-businesses with genuine potential to grow to at least that size. This approach has the potential to have a greater economic impact, but will mean less of a focus on volume of businesses supported. The indicators also reflect an emphasis on greater tailoring of more intensive support, looking at innovation systems as a whole within different businesses (counting each enterprise in which new products are introduced, for example) rather than numbers of innovations (which can lead to less emphasis on the effect on turnover / usefulness).

A specific piece of research is underway to provide baselines for the core approved operations in this area (an 'inception evaluation'). This should help to assess the degree to which proposed output targets are a result of different factors (e.g. are they underestimates from beneficiaries that need to be updated, or do the programme targets need to better reflect the reality of the significant change in targeting approach?). This should report in the autumn and an update can be provided in this report at the next PMC meeting.

In terms of the research capacity objective (SO1.1), the programme targets were based on a very limited number of previous operations; and the research funding target is intended to relate to competitive funding like Horizon 2020. This level of funding is highly uncertain given its competitive nature and increasing challenges in relation to maintaining access for UK institutions.

Annex 1: ERDF Update

Priority 2: SME Competitiveness

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO2.1: Access to Finance	1	£54.9m	£50.8m	93%	1	£8.6m	£8.0m	93%
SO2.2: Start-ups	1	£13.7m	£18.6m	136%	1	£3.3m	£6.2m	188%
SO2.3: ICT take up and exploitation	1	£8.7m	£5.2m	60%	1	£1.3m	£1.7m	131%
SO2.4: Employment Growth in SMEs	2	£73.2m	£25.2m	34%	2	£16.1m	£7.8m	48%
SO2.5: Risk Capital Finance	1	£15.9m	£14.7m	93%	1	£2.6m	£2.4m	92%
Total Priority 2	6	£166.4m	£114.6m	69%	6	£31.9m	£26.1m	82%

Source: WEFO, 31/07/2016

Approvals since the PMC met in February 2016

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Wales Business Fund	£156.3m	£65.6m	£55.4m	£10.4m

An integrated portfolio has been developed around operations that make up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre and Finance Wales. The Business Wales Fund, a Financial Instrument, has now been approved and is operational with a formal launch taking place in September 2016. The Fund will support SMEs across the two programming regions and will have a total investment capacity of £211 million of which £76 million will come from the ERDF. The Fund will offer debt and equity finance.

The concentration of a small number of high impact operations (to-date 12 operations operating across the two programming areas) does bring with it some risks because whilst strategically the operations collectively plan to deliver a high economic impact it would only take for one operation to under-perform or fall behind and the performance of the Priority might be at risk. Mitigating action is in place with regular and challenging review meetings underway, annual independent delivery reviews from year three onwards, the recommendations of which will trigger future years support and the introduction of an annual stakeholder event with all the beneficiaries and their 3rd party contractors for the Business Wales family operations including the Fund Managers for the Business Wales Fund and due to the close integration of business support between the Structural Funds and that offered under Business-Connect rural colleagues will also attend. The first of these annual events will take place on 16 September 2016 and will be chaired by WEFO.

A couple of small-scale but niche type operations are under development one of which for the first time pushes the boundaries for ERDF in terms of offering grant on a repayable basis. The WCVA'S Social Business Growth Fund is in the WEFO development phase and this offering will be on a re-payable basis but if the social enterprise delivers more than planned then some or the entire grant may not have to be re-paid. The incentive therefore is to over perform i.e. create more jobs and reduce the burden of repaying the grant. The other niche operation is looking to provide grant support to an SME that enables the private sector to make its

Annex 1: ERDF Update

investment – so acting as a viability gap offering. This would sit alongside investments the Business Wales Fund will make.

Annex 1: ERDF Update

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO2.1 To increase the amount of finance available to SMEs for both business start-up and for business expansion	Investment in enterprises	£91.6m	£126.9m	£25.9m	£45.7m
	Number of enterprises receiving grants	160	-	45	-
	Number of enterprises receiving financial support other than grants	235	241	65	122
	Private investment matching public support to SMEs - Non-grants	€132.0m	€68.6m	€37.3m	€10.8m
	Employment increase in supported enterprises	2,300	2,173	650	1,128
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	190	-	60	-
	- equality and diversity strategies and monitoring systems	190	-	25	-
SO2.2 To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	Number of new enterprises supported	5,150	6,000	2,200	4,000
	Number of enterprises receiving non-financial support	275	-	120	-
	Individuals receiving support	14,350	6,000	6,200	4,000
	Individuals receiving support - Female individuals	7,300	-	3,100	-
	Individuals receiving support - BME individuals	375	-	445	-
	Individuals receiving support - Disabled individuals	3,650	-	1,350	-
	Employment increase in supported enterprises	8,800	10,250	3,800	6,750
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	2,710	1,500	465	1,000
	- equality and diversity strategies and monitoring systems	2,710	1,500	1,165	1,000

Annex 1: ERDF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO2.3 To increase the take-up and exploitation of NGA networks and ICT infrastructure by SMEs	Number of enterprises supported to introduce new to the firm products	1,480	1,480	400	400
	Number of enterprises receiving non-financial support	3,450	3,823	900	1,094
	Employment increase in supported enterprises	6,450	7,200	2,550	4,600
	Number of enterprises receiving grants	40	-	10	-
	Number of enterprises receiving financial support other than grants	330	-	115	-
SO2.4 To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Number of enterprises receiving non-financial support	13,650	12,400	5,400	8,170
	Private investment matching public support to SMEs - Grants	€4.3m	-	€2.2m	-
	Private investment matching public support to SMEs - Non-grants	€6.6m	-	€3.4m	-
	Increase in level of export	£167.1m	£130.0m	£65.9m	£85.0m
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	8,700	5,000	1,300	3,300
	- equality and diversity strategies and monitoring systems	8,700	5,000	3,200	3,300
	Investment in enterprises	£26.5m	£29.4m	£7.2m	£9.8m
	Number of enterprises receiving financial support other than grants	90	34	25	-
	Private investment matching public support to SMEs - Non-grants	€23.8m	€19.9m	€14.1m	€3.3m
SO2.5 To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Employment increase in supported enterprises	490	188	145	95
	Number of enterprises supported to introduce new to the firm products	20	18	5	8
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	45	-	5	-
	- equality and diversity strategies and monitoring systems	45	-	13	-

Source: WEFO, 31/07/2016

Annex 1: ERDF Update

The majority of targets are expected to be exceeded across the different objectives within this priority; albeit using different indicative allocations than originally envisaged. For example the targeting approach envisaged in the programmes of focussing on high growth potential enterprises is now expected to require less funding than indicatively allocated in the programmes: the key target for this SME growth objective (SO2.4) for increasing employment is expected to be exceeded in West Wales and the Valleys using 52% of indicative funding, and in East Wales with 37%. This has allowed a more intensive support to be targeted at the start-ups programmes, which expect a higher rate of conversion and more growth-oriented new businesses than previous programmes.

Those output targets not yet forecast to be met generally represent those indicators that are more secondary in nature for each objective. For example the numbers of individuals receiving support to start-up a new enterprise: while this is lower than expected, the related key target of new enterprises supported exceeds the programme target. This therefore represents an expectation of more effective support and more careful targeting of that support. While we will need to monitor progress to assess the validity of those operations' claims, we would not want to see a perverse incentive such that resources are redirected simply to help more people, even if they are unable to set up viable businesses (i.e. to hit the secondary, but less important, target).

There are therefore no significant gaps in provision evident at this point in time, but close monitoring of approved operations will be needed to ensure the limited number of operations deliver as promised.

Annex 1: ERDF Update

Priority 3: Renewable Energy and Energy Efficiency

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO3.1: Marine Energy	3	£80.3m	£16.6m	21%	n/a	n/a	n/a	n/a
SO3.2: Community Energy (SO3.1 EW)	0	£18.7m	£0.0m	0%	0	£3.6m	£0.0m	0%
SO3.3: Energy Efficiency in Housing (SO3.2 EW)	0	£37.6m	£0.0m	0%	0	£14.3m	£0.0m	0%
Total Priority 3	3	£136.7m	£16.6m	12%	0	£17.9m	£0.0m	0%

Source: WEFO, 31/07/2016

Approvals since the PMC met in February 2016

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Ocean Wave Rower	£5.9m	£4.1m		

This Priority is an innovative area of the programmes and whilst progress is proving to be more challenging than planned, some progress is being made; particularly in working with developers keen to make use of the waters around Wales to deploy their wave and tidal energy devices. There is less scope for activity in the East Wales programme as marine energy production is not an eligible activity. As such the East Wales programme is dependant on operations that will support small scale community renewable energy schemes and increasing the energy efficiency of existing Welsh housing stock particularly in areas of fuel poverty.

Three operations have been approved to enable marine energy developers to develop, deploy and test their devices in Welsh waters. Interest going forward might be hindered by any decision the UK Department of Business, Energy & Industrial Strategy takes around Contracts for Difference for renewable energy. Proposed changes could lower the commercial viability of investment in marine energy technology, and the proposals are serving to create significant levels of uncertainty within the sector. Dependent on the decision of the UK Government, this element of the ERDF programme may need to be revisited to reflect commercial appetites for investment. In the meantime WEFO continues to develop proposals with potential developers.

The Crown Estates awarded nine demonstration zones around the UK in 2014, with two of them being in Wales; Morlais in North Wales for tidal development and the South Pembrokeshire Zone for wave development. The Zones are at different stages of development; the wave zone off the Pembrokeshire coast, managed by Wave Hub, need to complete a detailed feasibility to refine the scope and size of the operation but this is now dependent upon the Zone boundary being changed. The Ministry of Defence have recently indicated that the Pembrokeshire Zone is within the Danger Area the Ministry uses for its Firing Range and as such for safety reasons the Zone boundary should be changed. A formal request from Wave Hub is with Crown Estates to change the boundary for the Zone and an alternative site has been recommended. Due to the safety issues that have been raised Crown Estates are receptive to changing the Zone boundary. It is hoped a decision will be forthcoming by the end of the year. The Morlais Zone in the North is far more

Annex 1: ERDF Update

advanced and is working up a detailed business plan. This operation has just undergone an independent gateway review (paid for by the Welsh Government) the final report of which is imminent. The gateway review findings will be considered and will define how the Zone is taken forward.

The development of Small scale community energy schemes seeking ERDF is a challenge not least because of state aid restrictions and the skills required by the Community to develop such schemes and successfully manage the asset once operational. Two such schemes however are in the business planning phase and whilst presently led by the Local Authorities the assets will be transferred to the Communities to operate and maintain once built. WEFO working with Welsh Government colleagues and Energy Savings Trust are looking at other schemes and the possibility of them seeking ERDF support.

Over the last few months detailed work has been undertaken with the Welsh Government to scope and define an energy efficiency in housing scheme, building on the experience of delivering Arbed during 2007-2013. Progress is being made and it is anticipated this 'backbone' operation will be approved shortly.

Annex 1: ERDF Update

Table 4: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO3.1 Increase the number of wave and tidal energy devices being tested in Welsh waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production	Additional capacity of renewable energy production	20	-	n/a	n/a
	Energy support site preparation schemes	2	-	n/a	n/a
	Number of renewable energy prototypes tested	8	2	n/a	n/a
	Community energy schemes	37	-	3	-
	Number of enterprises receiving non-financial support	150	-	70	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of enterprises supported to introduce new to the firm products	75	-	35	-
	Number of pilot projects completed	4	1	3	-
(SO3.1 East Wales)	Additional capacity of renewable energy production	n/a	n/a	8	-
	Energy support site preparation schemes	n/a	n/a	1	-
	Number of renewable energy prototypes tested	n/a	n/a	3	-
SO3.3 Increase the energy efficiency of the existing Welsh housing stock, particularly in areas of fuel poverty	Number of households with improved energy consumption classification	5,500	-	4,200	-
	Estimated decrease of GHG	10	-	5	-
(SO3.2 East Wales)					

Source: WEFO, 31/07/2016

Annex 1: ERDF Update

At this stage it is too soon to make any firm judgements around output delivery. Taking into account those operations under development, there are no immediate concerns about the outputs (notwithstanding the risks identified in the update above) and it appears good progress is being made across the outputs, even taking into account the innovative nature of the Priority.

Annex 1: ERDF Update

Priority 4: Connectivity and Urban Development

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO4.1: Roads	0	£85.1m	£0.0m	0%	n/a	n/a	n/a	n/a
SO4.2: Public Transport (SO4.1 EW)	1	£137.7m	£16.4m	12%	0	£28.9m	£0.0m	0%
SO4.3: ICT Infrastructure (SO4.2 EW)	0	£44.6m	£0.0m	0%	0	£9.4m	£0.0m	0%
SO4.4: Strategic Sites	2	£133.7m	£57.7m	43%	n/a	n/a	n/a	n/a
Total Priority 4	3	£401.0m	£74.1m	18%	0	£38.3m	£0.0m	0%

Source: WEFO, 31/07/2016

Approvals since the PMC met in February 2016

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Building for the Future	£134.8m	£30.0m		
Tourism Attractor Destinations	£84.8m	£27.7m		

Investment in connectivity and enabling infrastructure are the two most important levers to achieve transformational change. Infrastructure tends to be one of the most time-consuming elements to develop and approve but never-the-less 18% of the funds for West Wales and the Valleys has been approved. Like Priority 3 there is limited eligible activity to be supported under Priority 4 of the East Wales programme (which solely concentrates on Broadband and Metro).

There are a number of operations in the final stages of development including the Superfast Broadband operations for both programming regions, the Neath Transport Hub, Strategic Employment Sites and the A40 Llandewi Velfrey Penblewin.

Approvals are expected in the next month or so with good progress being made on the other operations in business planning with approvals expected in the autumn. Certain activities within the Connectivity Priority for West Wales and the Valleys programme have to be regionally prioritised. The approved Tourism Attractor Destination operation underwent this prioritisation and a number of individual projects that make up this 'backbone' operation are in the final stages of development with approvals expected shortly. Building for the Future has also been awarded an offer of grant which is awaiting agreement but again the projects that make up Building for the Future have been identified via a regional prioritisation process but will need to be finalised to ensure delivery. Sites and Premises have also been prioritised both for the Backbone operation and those that will come directly from local deliverers such as Local Authorities. It is anticipated that the regional Sites and Premises 'gap' fillers will be with WEFO very shortly.

In respect of the Cardiff Capital Region Metro, WEFO has approved the first of two operations that make up Metro Phase 1. National Station Improvement Plan+ (NSIP+) Phase 2 was approved in January 2016 comprising improvements to five stations throughout the WW&V Programme area. The Frequency Enhancements on the Ebbw Vale Line, which also forms part of Metro Phase 1 is in Business Planning

Annex 1: ERDF Update

with forecast total investment of £36 million (ERDF £23million); with approval expected in early autumn.

The Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support. Metro Phase 2 will be a major project, as defined in the EU Structural Fund Regulations, and will need to be approved by the European Commission. The Commission has introduced a new approach to the assessment process of major projects which will involve the engagement of JASPERS experts (**J**oint **A**ssistance to **S**upport **P**rojects in **E**uropean **R**egions). Member States are encouraged to engage with the JASPERS as early as possible in the development of major projects and to that end constructive meetings between WEFO, Welsh Government Transport and JASPERS' expert have been held on 21st January 2016 and again on 23rd May 2016. The meetings provided an opportunity to help define and better understand a number of key areas required for the submission of a major project notification to the European Commission. These covered in detail an overview of the project, options appraisal, the scope of a major project bid, a financial analysis and, the procurement process.

JASPERS will act in an advisory capacity throughout the development of a Metro Phase 2 major project and a Service level Agreement between WEFO and JASPERS has been drawn-up and signed. WEFO believes that engagement with JASPERS in an advisory capacity throughout the development of a major project is likely to achieve faster overall appraisal of the major project documentation and secure a positive IQR outcome.

Annex 1: ERDF Update

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO4.1 To address issues of peripherality and improve private investment in local areas through improvements to the functioning of the Trans-European Transport Network	Total length of reconstructed or upgraded roads (including TEN-T)	15	-	n/a	n/a
	Footpath or cycleway created or reconstructed	10	-	n/a	n/a
SO4.2 Increasing urban and labour mobility to and from key urban and employment centres (SO4.1 East Wales)	Public transport services created or improved	2,500,000	-	420,000	-
	Intermodal facilities created or improved	25	5	5	-
	Total length of new railway line (including TEN-T)	15	-	n/a	n/a
	Total length of reconstructed or upgraded railway line (including TEN-T)	15	-	3	-
	Gross passenger km on public transport	400,000,000	-	67,200,000	-
	Total length of reconstructed or upgraded roads (including TEN-T)	5	-	n/a	n/a
	Reduction in CO2 equivalent emissions	10,700	-	1,800	-
	Total length of new or improved tram and metro lines	n/a	n/a	5	-

Annex 1: ERDF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO4.3 Contribute to Digital Agenda for Europe targets for 100% access to next generation broadband (30Mbps and above) and 50% access to 100Mbps (SO4.2 East Wales)	Additional premises with broadband access of at least 30 Mbps - Households	28,000	-	28,000	-
	Number of Enterprises supported to connect to 100Mbps or higher networks	250	-	25	-
	Additional population covered by ultrafast broadband (>100Mbps) broadband	n/a	-	n/a	-
SO4.4 To increase employment through prioritised local or regional infrastructure supporting an urban economic strategy	Jobs accommodated	1,770	-	n/a	n/a
	Land developed	50	-	n/a	n/a
	Premises created or refurbished	56,430	-	n/a	n/a
	SMEs accommodated	235	-	n/a	n/a

Source: WEFO, 31/07/2016

Annex 1: ERDF Update

Due to the level of commitment made it is too early to make any firm judgements on output delivery; albeit from what has been approved and what is in business planning and pre-planning, output and target delivery appear to be on track.

Annex 1: ERDF Update

Priority 5: Technical Assistance

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
Total Priority 5	4	£19.3m	£2.0m	10%	3	£3.3m	£0.2m	6%

Source: WEFO, 31/07/2016

Approvals since the PMC meeting in February

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
North Wales Regional Engagement Team	£0.46m	£0.35m	£0.09m	£0.05m
South East Wales Regional Engagement Team	£0.39m	£0.29m	£0.08m	£0.04m
South West Wales Regional Engagement Team	£0.63m	£0.47m		

All the Technical Assistance operations are either approved or are in the final stages of business planning. Full commitment is expected very shortly. A separate paper is presented on Technical Assistance for the PMC to note.

Annex 2: ESF Update

Section 1: ESF Programmes: Commitment

This section gives details of current financial progress under the ESF Programmes, including an overview of the Programmes and information at Priority-level.

Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ESF Programmes, along with the potential EU Grant committed if Operations at Business Planning and Pre Planning stages are taken forward.

Table 1: EU Grant Commitment: Approved, Business Planning and Pre Planning stages

£ Millions							
Programme / Priority Axis	Operations			EU Grant Commitment			
	Approved	Business Planning	Pre Planning	Allocation*	Approved	Business Planning	Pre Planning
West Wales and the Valleys ESF							
Priority 1	9	5	0	156.8	64.0	8.2	-
Priority 2	16	5	6	276.5	150.4	9.7	-
Priority 3	11	10	3	195.8	96.3	45.8	-
Priority 4	4	1	1	12.8	6.7	-	0.1
Total	40	21	10	641.9	317.4	63.7	0.1
East Wales ESF							
Priority 1	4	4	1	35.0	10.0	1.0	-
Priority 2	10	5	5	76.4	24.3	14.4	-
Priority 3	7	9	1	48.0	24.5	7.5	-
Priority 4	3	1	1	3.3	1.0	-	0.0
Total	24	19	8	162.6	59.9	22.9	0.0
Total ESF	64	40	18	804.5	377.3	86.6	0.2

Source: WEFO, 31/07/2016

* EU Grant Allocation based on conversion rate of £1:€1.25

Overall Programme Update

The ESF Programmes continue to make good progress with 64 operations approved across both Programmes giving a commitment of £377m overall, an additional £130.6m ESF since the last PMC. All Priority areas are developing well with a balanced portfolio of operations across all Priority and Specific Objective areas primarily built around a number of pan-programme backbone projects, capable of delivering across the range of programme indicators. Operations under development have the potential to commit a further £86m and offer more tailored niche activity to complement and fill gaps in either the range of provision on offer or targeted client group.

Annex 2: ESF Update

Section 2: Progress by Priority

Priority 1: Tackling Poverty through Sustainable Employment

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO1.1: Helping people into work	1	£36.9m	£12.4m	34%	n/a	n/a	n/a	n/a
SO1.2: Inclusion & Engagement in LM (SO1.1 EW)	7	£96.2m	£48.3m	50%	4	£35.0m	£10.0m	29%
SO1.3: Helping People stay in work	1	£23.6m	£3.3m	14%	n/a	n/a	n/a	n/a
Total Priority 1	9	£156.8m	£64.0m	41%	4	£35.0m	£10.0m	29%

Source: WEFO, 31/07/2016

Approvals since the PMC meeting in February

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Workways II	£9.1m	£7.5m		
Sova - Achieving Change through Employment -ACE	£1.2m	£1.0m		

A further £10.8m has been approved across both programmes since the PMC meeting in February taking the Priority commitment to 41% in WWV and 29% in EW. All operations address specific barriers to engagement with, and continue participation within, the labour market. The design of individual interventions has been underpinned by Labour Market Intelligence and the intelligence on key employment and economic growth opportunities provided by the EPF and the Regional Learning Partnerships' emerging Employment and Skills Plans. The programme builds on the successes of the previous round by continuing to focus on employment as the main objective and concentrating to an even greater extent on those furthest away from the labour market, facing the most complex barriers.

Specific Objective 1: Increasing Employability Of Those Closest To the Labour Market At Most Risk of Poverty, in WWV only, is focused around the approved pan-programme Welsh Government **ReACT** backbone operation, supporting individuals impacted by redundancy. Development of support for short term unemployed individuals with no or low skills, work limiting health conditions or disabilities, will be more appropriately addressed through smaller scale niche activity.

Specific Objective 2 in WWV and Specific Objective 1 in EW: Increasing The Employability of Economically Inactive And Long Term Unemployed Aged 25 And Over, has been developed around a mixed portfolio of geographically and cohort-group focused operations, with national, pan-Wales operations such as the approved Welsh Government **Communities for Work** initiatives, **Parents, Childcare and Employment** and **Healthy Working Wales** operations, and the WCVA-led **Active**

Annex 2: ESF Update

Inclusion operations. These backbone operations are complemented by a number of local authority led regional operations, such as **Bridges 2 Work** and **Workways+**, providing support across South and West Wales. A regional Operation in North Wales, **OPUS**, is currently in development. These proposals sit alongside niche operations delivering very targeted support to specific demographic or cohort groups, including proposals to support those facing particular barriers relating to ethnicity (**SOVA ACE Operation**) or disability or work limiting health conditions (**Healthy Working Wales – Out of Work Service**).

WEFO is engaging with the Regional Teams and Local Authorities, amongst other organisations across the East Wales programme area to develop collaborative operations to help address a lower level of interest in this part of the programme.

Specific Objective 3: Reducing Under-employment Or Absence Rates for Employed Individuals with Work Limiting Health Conditions, in WWV only, is centred on the Welsh Government's **Healthy Working Wales** pan-programme backbone proposal supporting individuals who are at risk of dropping out of employment due to a work limiting health condition. WEFO is also encouraging proposals for delivering support to those who are 'underemployed' due to a work limiting health condition. No operations have been approved to date.

Annex 2: ESF Update

Table 1: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO1.1 To increase the employability of those closest to the labour market at most risk of poverty	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	-	n/a	n/a
	Individuals impacted by redundancy	12,001	7,786	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	0%	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	0%	n/a	n/a
	Individuals impacted by redundancy in employment upon leaving	55%	50%	n/a	n/a
	Individuals impacted by redundancy gaining a qualification upon leaving	70%	72%	n/a	n/a

Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO1.2 To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment (SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	36,870	12,700	12,372
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	13,830	3,800	4,626
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment entering employment including self employment upon leaving	20%	17%	20%	16%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment engaged in job search upon leaving	25%	13%	25%	12%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	28%	50%	24%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	19%	54%	18%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment including self employment upon leaving	25%	16%	25%	13%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	27%	50%	19%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	25%	53%	20%

Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO1.3 To reduce under-employment or absence rates for employed individuals with work limiting health conditions and / or other barriers to sustainable engagement with the labour market	Participants Employed including self-employed with work-limiting health condition or disability	4,000	4,232	n/a	n/a
	Underemployed participants with barriers to full employment	4,000	-	n/a	n/a
	Number of micro small and medium-sized enterprises supported	2,000	-	n/a	n/a
	Workplace health programmes	300	130	n/a	n/a
	Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	0%	n/a	n/a
	Employed including self employed participants with work limiting health condition or disability returning to work after a period of absence	50%	19%	n/a	n/a
	Employed including self Employed Participants with Work limiting health condition or disability with an improved labour market situation upon leaving	50%	31%	n/a	n/a
	Underemployed participants with an improved labour market situation upon leaving such as increased hours permanent contract	40%	0%	n/a	n/a

Source: WEFO, 31/07/2016

Annex 2: ESF Update

Forecast numbers of participants generally outstrips programme targets when compared to proportion of funding allocated. For example 65% of the target for individuals impacted by redundancy (SO1.1 under WW&V) is expected to be reached, having committed just 34% of available funding.

The overachievement to date on participants is counterbalanced in some objectives (such as those focussing on economically inactive and long-term unemployed), by a lower *proportion* of participants expected to achieve outcomes (such as employment, qualifications or active job search); at least compared to the expectations in the programme documents. This trend perhaps reflects the fact that these individuals require multiple interventions to move closer to the labour market, and could be an encouraging sign of operations targeting the harder to reach (rather than those closer to the labour market). The overachievement of participants should also help ensure absolute numbers of outcomes meets that expected for the programme. Similar observations could be made of the WW&V objective targeting under-employment and work-limiting health conditions; noting in any case that only 14% has been allocated to date.

Annex 2: ESF Update

Priority 2: Skills for Growth

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO2.1: Basic Skills	5	£133.3m	£48.0m	36%	3	£50.0m	£8.3m	17%
SO2.2: Adaptability and Progression	8	£83.2m	£61.6m	74%	6	£22.5m	£14.2m	63%
SO2.3: Research & Innovation	2	£42.8m	£34.6m	81%	n/a	n/a	n/a	n/a
SO2.4: Gender Equality (SO2.3 EW)	1	£17.1m	£6.3m	37%	1	£3.9m	£1.8m	45%
Total Priority 2	16	£276.5m	£150.4m	54%	10	£76.4m	£24.3m	32%

Source: WEFO, 31/07/2016

Approvals since the PMC meeting in February

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Skills for Employers and Employees SO1	£6.3m	£4.6m	£3.4m	£1.7m
Skills for Employers and Employees SO2	£4.3m	£3.1m	£2.2m	£1.0m
Upskilling At Work SO1	£4.1m	£2.9m	£3.9m	£1.9m
Upskilling At Work SO2	£5.2m	£3.3m	£5.7m	£2.8m
Skills for Industry 2 SO1	£8.0m	£5.6m		
Skills for Industry 2 SO2	£8.9m	£6.2m		
KESS II	£36.0m	£25.9m		
North Wales Business Academy (NWBA)	£2.7m	£2.0m	£1.7m	£0.8m

A further £63.6m has been approved across both programmes since the PMC meeting in February taking the Priority commitment to 54% in WWV and 32% in EW. Building on the achievements of the 2007-2013 programme, specific focus is being given within the developing portfolio on the delivery of the essential, technical and specialist skills required to build an agile and responsive workforce equipped to fully capitalise upon the opportunities and growth potential offered by a modern, knowledge-based economy. Whilst basic and essential skills constitute a common, and necessary, foundation across the entire workforce, the intelligence on key growth opportunities and emerging and priority sectors identified in the Economic Prioritisation Framework (EPF), together with the Regional Learning Partnerships' emerging Employment and Skills Plans and Labour Market Intelligence constitute key tools to guide the targeting and focusing of skills interventions, particularly those delivering skills at an intermediate and higher level.

In *Specific Objectives 1 and 2 in WWV and EW*, the key development since the PMC meeting in February has been the approval of a suite of regionally-based operations led by the FE sector. These operations will offer training leading to approved qualifications relevant to the needs of workers in the EPF priority areas and are known as **Skills for Industry 2** in South-West Wales and Ceredigion,

Annex 2: ESF Update

Upskilling@Work in South East Wales and Powys and **Skills for Employers and Employees** in North Wales. Other approvals have included the **Leading Business Growth (East Wales)** operation lead by Cardiff Metropolitan University which will deliver a leadership programme and complements the equivalent operation in WWV which is led by Swansea University and was approved before the last PMC.

The approval of new projects has continued since the EU referendum outcome and approval has recently been given for the **North Wales Business Academy** operations in both programmes, which will focus on management training and a talent academy.

In Specific Objective 3 in WWV: an approval has been issued for the Knowledge Economy Skills Scholarships 2 (KESS2) operation lead by Bangor University which will support doctors and research masters study in the grand challenge areas of digital economy, life sciences and health, and energy and environment. This operation complements the previously approved Materials and Manufacturing Academy led by Swansea University which focusses on advanced materials and engineering.

Beneficiaries who are looking to deliver training to the employed workforce are responding positively to the new policy direction of co-investment by employers which was set out in the Welsh Government's Skills Implementation Plan and encouraged by the Operational Programmes. Private match-funding from employer cash contributions has been built into these operations as they are developed and approved.

WEFO has convened a number of regional meetings of key stakeholders, , to facilitate the development of collaborative regional delivery of training, including a recent meeting to build links between operations who are offering leadership and management training.

Annex 2: ESF Update

Table 2: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO2.1 To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills	Employed including self-employed participants with no formal qualifications - Male	14,029	3,458	7,799	1,651
	Employed including self-employed participants with no formal qualifications - Female	12,771	3,423	7,101	1,843
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	12,911	13,296	8,530
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	15,034	12,104	10,237
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	75%	72%	76%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	76%	72%	76%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	80%	72%	81%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	80%	72%	81%

Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO2.2 To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	11,298	6,438	8,272
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	13,100	5,862	9,705
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	7,227	4,292	4,773
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	7,368	3,908	4,824
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	79%	60%	80%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	79%	60%	80%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Male	60%	80%	60%	80%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Female	60%	80%	60%	80%

Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO2.3 To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise	Participants with graduate degree or equivalent - Male	780	429	n/a	n/a
	Participants with graduate degree or equivalent - Female	720	365	n/a	n/a
	Number of enterprises collaborating with learning providers	750	542	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Male	63%	83%	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Female	63%	79%	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - male	52%	0%	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - female	52%	0%	n/a	n/a
SO2.4 To improve the position of women in the workforce (SO2.3 East Wales)	Number of supported micro small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	800	410	300	90
	Employed including self-employed	4,400	1,707	1,500	500
	Participants gaining a qualification upon leaving	75%	80%	73%	80%
	Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	80%	50%	80%
	Participants with an improved labour market situation upon leaving	40%	40%	40%	40%

Source: WEFO, 31/07/2016

Annex 2: ESF Update

In the round the position on indicator forecasts for this priority is very encouraging. Where there are gaps there is remaining funding available to address them. Many targets in West Wales and the Valleys for this priority are relatively close to targets in the programme; while this is encouraging it will also require close monitoring to prevent slippage.

Increasing skills for those with low or no skills (SO2.1): Forecasts are high across Wales, given the relatively low financial commitment to date, with a gap emerging for those participants with no formal qualifications. This will be an area of focus for the future, but is not an immediate concern given significant remaining funding available.

Intermediate and higher level skills (SO2.2): In East Wales all targets are being exceeded, despite only 63% of funding being allocated; this perhaps reflects the demography of the region. For West Wales and the Valleys forecasts are broadly in line with a pro-rate attribution of targets based on commitment to date; albeit female participants exceeds male. Encouragingly, the expected proportion of participants gaining outcomes exceeds programme targets which should boost those key outcomes.

Research and Innovation activity (SO2.3 in WW&V only): Participants forecast are lower than programme targets that might be expected on a pro-rata basis against financial commitment. This may reflect the more novel nature of this objective and a lack of historical data on which to set programme targets. The lower level of participants is somewhat mitigated by a significantly higher proportion of those participants expected to achieve key outcomes. On this reading the outcomes are much closer in absolute value terms to that expected in the programmes; though it remains to be seen if gap-fillers can be identified to address any shortfall.

Improving the position of women in the workforce (SO2.4 WWV / SO2.3 EW):

Targets for both programmes are broadly in line with expectations, in particular given the specific nature of this objective.

Annex 2: ESF Update

Priority 3: Youth Employment and Attainment

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO3.1: Youth Unemployment	5	£107.7m	£50.5m	47%	4	£36.0m	£16.7m	46%
SO3.2: Youth attainment & Engagement	4	£68.3m	£40.0m	59%	3	£12.0m	£7.8m	65%
SO3.3: STEM	1	£10.0m	£1.7m	17%	n/a	n/a	n/a	n/a
SO3.4: Early years	1	£9.8m	£4.2m	42%	n/a	n/a	n/a	n/a
Total Priority 3	11	£195.8m	£96.3m	49%	7	£48.0m	£24.5m	51%

Source: WEFO, 31/07/2016

Approvals since the PMC meeting in February

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Inspire 2 Achieve	£18.9m	£14.0m	£9.2m	£4.2m
TRAC 11-24	£13.1m	£9.0m	£5.0m	£2.5m
Achieve through Work Experience	£5.2m	£3.6m	£2.1m	£1.1m
Active Inclusion Youth	£8.3m	£5.8m		
Cynnydd	£19.1m	£13.3m		
Parents, Childcare and Employment (PaCE)	£1.8m	£1.3m	£1.0m	£0.5m

A further £55.3m has been approved across both programmes since the PMC meeting in February taking the Priority commitment to 49% in WWV and 51% in EW. The portfolio of operations focuses on addressing youth unemployment and attainment, and the issues around NEET.

Specific Objective 1: Reducing the Number of 16-24 Year Olds who are NEET in WWV and EW, is being implemented around the Welsh Government backbone **Jobs Growth Wales** and **Traineeships** operations. Jobs Growth Wales has a clear focus on supporting work ready 16-24 year olds who are unemployed but fail to secure employment due to a lack work experience, whilst the Traineeships operation targets 16-18 year olds who have left compulsory education, and aims to improve the skills levels of its participants, enabling them to enter further training or employment upon leaving.

The Welsh Government led backbone **Communities for Work** (youth) operations provides support within Communities First cluster areas to young NEET individuals, aged 16-24, to re-engage with labour market activity and access sustainable employment, and the recently approved Parents, Childcare and Employment (**PaCE**) operations provide support to young parents aged 16-24 with childcare as their main barrier to work.

Annex 2: ESF Update

The WCVA led **Active Inclusion Youth** fund adds to the portfolio by bringing in targeted, inclusive projects delivered largely by the third sector, including early engagement activity and supported work placements. Further proposals including local authority led collaborative regional operations currently under development.

Specific Objective 2 in WWV and EW: Reducing the Number of Young People (11-24) At Risk of Becoming NEET, is being delivered through a portfolio of regionally based operations led by Local Authorities in partnership with FE colleges, targeting young people most at risk of becoming NEET in schools and colleges. The focus of activity by WEFO over the period since the last PMC has been on the development of this priority area with 7 of the 11 recently approved operations delivering against this specific objective. The operations are all aligned with the principles of the Welsh Government's Youth Engagement and Progression Framework of early identification, brokerage, tracking and provision. The approved regional operations represent a strategic pan-Wales provision which is complemented by the smaller scale and niche activity to support those in the HE sector between the ages of 19 and 24 who are at highest risk of becoming NEET. Reflecting the increased emphasis in the 2014-2020 programmes on identifying and addressing the barriers faced by those most at risk of becoming NEET, many of these operations have been designed to proactively identify and target participants who face specific and significant barriers to attainment or engagement.

Specific Objective 3: Increasing The Take-Up and attainment Levels in Stem Subject amongst 11-19 year olds, in WWV only, is centred on the backbone **STEM Cymru II** operation, which targets young people at key decision and transition points during secondary and tertiary education, with attention given to female take-up and, attainment levels in STEM subjects. This approach will be in clear alignment with the economic growth opportunities articulated within the EPF, on engineering and related areas. There is potential within this Specific Objective for additional STEM activity to be developed and WEFO continues discussion with 2 further potential operations in this area.

Specific Objective 4: Increasing the Skills of the Early Years and Childcare Workforce, in WWV only, will be built around the Welsh Government **Progress for Success** operation approved in January 2016. The main focus will be on up-skilling Childcare and Play sector workers to Level 3; with a smaller proportion of childcare workers to be up-skilled to Levels 4 and/or 6.

WEFO is working closely with beneficiaries and those developing operations under this priority alongside those in the poverty priority to ensure the development of a coherent and integrated portfolio and programme of operations, particularly those focusing on employability and employment outcomes. WEFO continues to hold meetings with operation beneficiaries to discuss activity, to encourage collaborative delivery and to identify any emerging gaps or duplication in provision. Latest progress includes exploring the options for a collaborative approach to the evaluation of activity delivered by the local authority led operations in Specific Objective 2.

Annex 2: ESF Update

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
	NEET Participants (16 - 24 years of age)	42,700	29,634	21,200	16,551
SO3.1 To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET)	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	36%	20%	40%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	17%	15%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	29%	28%	29%
	Participants at Risk of becoming NEET (11-24)	49,700	16,064	13,000	6,236
SO3.2 To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	7%	14%	27%	17%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	18%	12%
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	58%	-	59%

Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Project Forecast	Target	Project Forecast
SO3.3 To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds	Young People 11 -19 years of age - Male	8,400	2,160	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Male	55%	63%	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	55%	34%	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	n/a	n/a
SO3.4 To increase the skills of the Early Years and Childcare workforce	Employed including self-employed Participants from early years and childcare sector - male	300	73	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	n/a	n/a

Source: WEFO, 31/07/2016

Annex 2: ESF Update

Reducing NEET (SO3.1): Project forecasts are high relative to commitment, which should allow for remaining operations to target niche areas and specific issues. This reflects the approval of the key backbone operations. For example 69% of the target participants are forecast, on the basis of 47% of expenditure committed.

At risk of NEET (SO3.2): This is a new area of activity carrying out some innovative activity. Forecasts are lower than the programme targets, although it was not possible to set programme targets on the basis of historical data. It remains to be seen if the targets can be met via gap-filling projects, or if the underlying rationale for the programme targets may need to be revisited given greater understanding of the delivery approaches, including monitoring and evaluation, for this objective.

Take-up of STEM subjects (SO3.3. WWV only): Forecasts are in line with what might be anticipated given the level of funding committed. There is a forecast overachievement in terms of the expected numbers of male participants, which may point to the need for more targeted activity at female young people. Fewer participants than anticipated are expected to continue to study related subjects, and further investigation is required to understand the reasons for this: it may be caution from beneficiaries who recognise that such decisions from participants are related to a great number of factors beyond the intervention concerned.

Early-years childcare workforce (SO3.4 WWV only): Forecasts are in line with the approved financial allocation to date, albeit with slightly more of a skew towards female participants than set out in the programme documents.

Annex 2: ESF Update

Priority 4: Technical Assistance

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
Total Priority 4	4	£12.8m	£6.7m	52%	3	£3.3m	£1.0m	32%

Source: WEFO, 31/07/2016

Approvals since the PMC meeting in February

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
North Wales Regional Engagement Team	£0.3m	£0.3m	£0.1m	£0.0m
South East Wales Regional Engagement Team	£0.3m	£0.2m	£0.1m	£0.0m
Swansea Bay Regional Engagement Team ESF	£0.5m	£0.3m		

Four Regional Engagement Teams have been set up to help improve the way we deliver and manage the European Structural Funds programmes 2014-2020. They are based in North Wales, Mid Wales, Swansea Bay and South East Wales. They are adding value to WEFO's delivery and management of the programmes by ensuring the regional integration of delivery. They will contribute to the move towards a more strategic delivery model with a clearer framework for economic prioritisation by ensuring regional alignment and coherence of operations. One of the key functions of the teams is facilitating the regional proofing of proposed operations in order to provide a regional view to WEFO on the regional strategic fit of all proposed operations with relevant strategies and wider interventions and activities, and, on occasion, to facilitate the regional prioritisation of some proposed operations as requested by WEFO (for example, for ERDF Specific Objective 4.4). The teams are also working with the Regional Skills Partnerships in relation to regionally proofing and engagement on ESF operations.

Four operations are in the Business Planning phase, including the Mid Wales Regional Engagement Team bids and WEFO TA bids. We anticipate all four of the operations to be approved by the end of September.

Annex 3: WGRC-RDP 2014-2020 Update

Section 1: WGRC-RDP Programme: Commitment

This section gives details of current financial progress under the WGRC-RDP2014-2020 Programme.

Table 1 shows spend to date, the amount of EU Grant committed under the WGRC-RDP2014-2020, along with the potential EU Grant committed if those applications invited under EOI rounds and full applications under assessment are taken forward.

Table 1: Spend, commitment & Business Planning

Spend £'m		Commitment £'m		Business Planning £'m	
TOTAL	EAFRD	TOTAL	EAFRD	TOTAL	EAFRD
£40.07	£29.44	£379.40	£252.77	£150.25	£86.32

Overall Programme Update

The WGRC-RDP2014-2020 continues to make good progress since its approval on 28 May 2015.

There is an EC requirement that applications to 2014-2020 Rural Programme are not selected on a first past the post system. To meet this requirement schemes under the WGRC-RDP2014-2020 will open and close for applications periodically through the life of the programme, dependent upon available programme financial allocations.

Including approvals and EOI rounds a total of £529m has been committed, of which £339m EU funding. Sections of the Programme are further advanced in delivery and approvals than others; this is to be expected given the wide range of activities which can be supported through the programme and the current stage of programme delivery. For the Glastir agri–environment-climate and forestry suite of schemes, spend to date of just under £40.07m has been recorded, of which £29.44m is EU funding.

For the socio-economic schemes within the programme, a total of 234 successful EOIs, with an allocation of £45.62m, have been invited to submit a full application. To date, 67 applications have been received. Of these, 11 have been approved with an overall allocation of £4.03m. This will further increase over the coming months as a result of recent EOI windows.

A number of Expression of Interest (EOI) windows have opened to date, across the Programme; further windows will open over the next 12 months to include the following schemes;

- Rural Community Development Fund under Measure 7 (£3m)
- Glastir Woodland Restoration under Measure 8.4 (£1m)
- Sustainable Production Grant under Measure 4.1 (£6m)
- Glastir Small Grants under Measure 4.4 (1.5m)
- Glastir Woodland Creation under Measures 8.1 & 8.2 (£1.7m)

Indicator progress

At this stage in programme delivery, it is not possible to provide forecasts against indicators for all Measures / Focus Areas. Approved target values have been provided by Focus Area even where forecast data is not yet available.

Annex 3: WGRC-RDP 2014-2020 Update

The variances in reporting forecast and actuals against indicators targets for the programme is due to the differences in delivery for the land based and socio economic aspects of the programme. For those output targets not yet forecast, data should become available in the coming months, following the outcomes and approvals from EOI windows. Close monitoring of approved operations and agreements will be needed to ensure expected outcomes are delivered.

Annex 3: WGRC-RDP 2014-2020 Update

Section 2: Progress by Priority Axis

Priority 1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

Table 2: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 1(a) Fostering innovation and the knowledge base in rural areas	1	Total public expenditure	£50.00m	£0
	2	Total public expenditure	£13.07m	£0
	16	Total public expenditure	£71.80m	£0
FA 1(b) Strengthening the links between agriculture and forestry and research innovation	16.1	Nr of EIP operational groups to be supported (establishment and operation)	45	45
	16.2 to 16.9	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	1,102	0
FA 1(c) Fostering lifelong learning and vocational training in the agricultural and forestry sectors	1.1	Nr of participants in trainings	13,000	0

source: WEFO, 31/07/2016

Knowledge Transfer, Innovation and Advisory Services - Measures 1 & 2 Overview

The new contracts for the programme, known as Farming Connect, commenced on 1 October 2015, coinciding with the end of the previous service. The Knowledge Transfer Programme and the Advisory Service is delivered by Menter a Busnes. Lantra Wales leads on the delivery of the Lifelong Learning and Development Programme. Eligibility for the new Knowledge Transfer programme has broadened to enable more businesses and persons engaged in the agricultural, forestry and food sectors to participate, including students. It is aligned with other Welsh Government business support packages and activities, including Business Wales and Resource Efficient Wales.

Knowledge Transfer Programme. Activity will focus on improving environmental performance, production efficiency, profitability, and increasing business focused behaviour and attitudes through positive management practices. As part of the Knowledge Transfer Programme, a new, pan Wales Demonstration network has been set up, incorporating:

- Innovation sites, based in leading agri-academic sites within Wales.
- Demonstration Sites, a network of long term sites looking at the integration of new technology and/or new approaches to management; raising standards of on-farm efficiency; decreasing inputs, increasing outputs; profitability.
- Focus sites, which demonstrate 'one-off' projects or trials on a wide range of topics.

The Farmer Exchange is also a new development from Farming Connect, enabling successful candidates to travel to a leading farm or forestry holding within the EU to learn about new and improved ways of working within the sectors. The aim is for them to look into different approaches to business management, broaden their knowledge, technical ability and management expertise, and to provide new developmental opportunities at both a personal and business level. The first group of successful candidates were announced at this year's Royal Welsh Show.

Lifelong Learning and Development Programme: the aim is to deliver a more professional farming and forestry industry and will be delivered through a

Annex 3: WGRC-RDP 2014-2020 Update

combination of direct training and on line e-learning provision. The programme will place a greater emphasis on business and transformational skills acquisition and offer more focused and strategic courses.

Advisory Service: The advisory service will provide independent, bespoke, one to one and group advice to improve the sustainable management and the economic and environmental performance of farming, forestry and food manufacturing SME's operating in rural areas.

EIP-AGRI – Wales: Farming Connect is supporting the development of EIP-AGRI Wales through various forms, mainly the Knowledge Exchange Hub and Knowledge Brokerage. This support will be aimed at facilitating the development of OG, with up to £40k available for each group to develop their ideas. The Knowledge Exchange Hub, located at IBERS, Aberystwyth, will be the first point of contact for farmers and foresters in Wales to register their interest in developing their innovative ideas, and to enquire about potential suitable partners. Only projects deemed suitable by the Hub will be referred through to Welsh Government, and invited to submit a full application. A knowledge broker can support the group through the development phase, and be available to facilitate the project if they succeed in their application.

Venture: This is a new feature. The Venture platform is an integrated framework of activity, bringing together various strands of the Farming Connect services which will support mobility within the agriculture and forestry sectors in Wales. It will identify and match established landowners seeking to enter into a contract or share farming, accommodating prospective new or young entrants to the industry.

Annex 3: WGRC-RDP 2014-2020 Update

Priority 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

Table 3: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 2(a) Facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification	1.1	training/skills acquisition - Nr of participants in trainings	8,560	0
	1.1	Number of training days given	16,160	0
	1.1	training/skills acquisition - Total public for training/skills	£3.74m	£0
	1.2	Nr of demonstration operations / information actions supported	20	0
	1.3	Nr of farm exchanges operations supported	10	0
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£34.8m	£0
	2.1	Nr of beneficiaries advised	5,160	0
	2.3	Nbr of advisor trained	110	0
	2.1 - 2.3	Total public expenditure	£6.55m	£0
	4.1	Nr of holdings supported for investment in agricultural holdings	2,431	0
	4.1	Total public expenditure	£57.55m	£0
	4.3	Total public expenditure for investments in infrastructure	£1.80m	£0
	4	Total investment (public + private)	£148.36m	£0
	4	Total public expenditure	£59.35m	£0
	16	Total public expenditure	£0.36m	£0

source: WEFO, 31/07/2016

Focus Area 2a

To date a total of 51 successful EOIs and one direct application have been invited to submit a full application under Priority 2 (Focus Area 2a) of the WGRC-RDP2014-2020.

A total of 11 full applications for Sustainable Production Grant (SPG) Scheme under Measure 4.1 have been received, totalling a commitment of £2.0m.

Of these 11 applications received to date one has been approved, with a total allocation of £0.3m.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports to the PMC will show progress to date on spend and indicators of these full applications.

At present indicator data is not captured prior to the operation's delivery profile being completed. Work is ongoing to capture this data when the full application is submitted.

The Sustainable Production Grant scheme under Measure 4.1 provides support to help farmers improve the economic and environmental performance of their agricultural holding in line with the Welsh Government's and agriculture industry in Wales' vision for more sustainable, profitable and resilient farm businesses. It aims to provide capital investment in facilities and equipment that relate to animal health and welfare, crop storage, production housing and handling, renewable energy production and soil and crop management.

Grants represent a 40% contribution and can range from a minimum of £16k to a maximum of £0.4m to increase on-farm investment, production, and resource efficiencies to improve technical performance.

To date, two rounds of SPG have been run, the first for a budget of £2.0m with 12 beneficiaries invited to submit a full application and the second for £6.0m with 40

Annex 3: WGRC-RDP 2014-2020 Update

beneficiaries. As yet, no payments have been made to beneficiaries. A third window is planned for September 2016, again, with a budget of £6.0m and 40 beneficiaries.

Annex 3: WGRC-RDP 2014-2020 Update

Priority 3: Promoting food chain organisation and risk management in agriculture

Table 4: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 3(a) Better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations	1.1	training/skills acquisition - Nr of participants in trainings	1,000	0
	1.1	Number of training days given	1,000	0
	1.1	training/skills acquisition - Total public for training/skills	£0.23m	£0
	1.2	Nr of demonstration operations / information actions supported	15	0
	1.1 - 1.3	Total public expenditure € (trainings, farm exchanges, demonstration)	£2.31m	£0
	2.1	Nr of beneficiaries advised	600	0
	2.3	Nbr of advisor trained	110	0
	2.1 - 2.3	Total public expenditure	£0.83m	£0
	4.1 + 4.2	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	120	0
	4	Total investment (public + private)	£99.45m	£0
	4	Total public expenditure	£39.99m	£0
	16.4	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	165	0
	16	Number of cooperation operations supported (non EIP)	80	0
	16	Total public expenditure	£22.18m	£0

source: WEFO, 31/07/2016

Focus Area 3a

To date 70 successful EOIs and three direct applications have been invited to submit a full application under Priority 3 (Focus Area 3a) of the Programme.

Thus far 45 full applications have been received, totalling a commitment of £38.7m of which:

- 22 full applications for Cooperation & Supply Chain Development Scheme (C&SCD) under Measure 16.4 have been received, totalling £7.0m.
- 20 full applications for Food Business Investment Scheme (FBIS) under Measure 4.2 have been received, totalling £9.9m.
- 3 full applications for Knowledge Transfer & Innovation Scheme under Measure 1.1 have been received, totalling £21.6m Of the 45 full applications received to date 10 have been approved, with a total allocation of £3.7m.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports will show progress to date on spend and indicators of these full applications.

At present indicator data is not captured prior to the operation's delivery profile being completed. Work is ongoing to capture this data when the full application is submitted.

Annex 3: WGRC-RDP 2014-2020 Update

Priority 4: Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

Table 5: Progress against indicators

Priority	Measure	Outputs	Target	Forecast
Priority 4:	1.1	training/skills acquisition - Nr of participants in trainings	995	0
Restoring,	1.1	Number of training days given	1,911	0
preserving and	1.1	training/skills acquisition - Total public for training/skills	£0.39m	£0
enhancing	1.2	Nr of demonstration operations / information actions supported	55	0
ecosystems related	1.3	Nr of farm exchanges operations supported	14	0
to agriculture and	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration)	£4.18m	£0
forestry (agricultural land)	2.1	Nr of beneficiaries advised	1,330	0
	2.3	Nbr of advisor trained	114	0
	2.1 - 2.3	Total public expenditure	£1.95m	£0
	4.4	Nr of operations of support for non productive investment (4.4)	16,425	9,453
	4	Total investment (public + private)	£169.48m	£106.97m
	4	Total public expenditure	£169.48m	£106.97m
	8.1	Area (ha) to be afforested (establishment only- 8.1)	2,160	2,000
	8.1	Total public expenditure (8.1)	£11.49m	£10.64m
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	147	50
	8.2	Total public expenditure (8.2)	£0.42m	£0.21m
	10.1	Total Area (ha) under agri-environment-climate (10.1)		
	10.1	Physical Area (ha) under agri-environment-climate (10.1)	688,000	£528,010
	10.1	Number of contracts supported	11,585	7,338
	10.1	Total public expenditure (10.1+10.2)	£243.36m	£230.05m
	11.1	Number of holdings supported	400	201
	11.1	Area (ha) conversion to organic farming	48,000	11,153
	11.2	Number of holdings supported	600	341
	11.2	Area (ha) maintenance of organic farming	72,000	57,287
	11	Total public expenditure	£43.99m	£21.18m
	16	Number of cooperation operations supported (non EIP)	30	0
	16	Total public expenditure	£8.43m	£0

Annex 3: WGRC-RDP 2014-2020 Update

Priority	Measure	Outputs	Target	Forecast
Priority 4:	1.1	training/skills acquisition - Nr of participants in trainings	105	0
Restoring,	1.1	Number of training days given	189	0
preserving and	1.1	training/skills acquisition - Total public for training/skills	£0.04m	£0
enhancing	1.2	Nr of demonstration operations / information actions supported	5	0
ecosystems related	1.3	Nr of farm exchanges operations supported	1	0
to agriculture and	1.1 - 1.3	Total public expenditure € (trainings, farm exchanges, demonstration)	£0.41m	£0
forestry (forest area)	2.1	Nr of beneficiaries advised	70	0
	2.3	Nbr of advisor trained	6	0
	2.1 - 2.3	Total public expenditure	£0.11m	£0
	8.3	Nr of beneficiaries for preventive actions (8.3)	0.25	0
	8.3	Area supported (ha)	76,000	0
	8.3	Total public expenditure	£0.26m	£0
	8.4	Nr of beneficiaries supported	55	0
	8.4	Area supported (ha)	530	0
	8.4	Total public expenditure	£1.24m	£0
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,745	501
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	32,850	7,000
	8.5	Total public expenditure	£15.07m	£5.57m
	15.1	Number of contracts supported	70	0
	15.1	Areas under forest environment contract	700	0
	15.1	Total public expenditure	£0.30m	£0
	16	Number of cooperation operations supported (non EIP)	215	0
	16	total public expenditure	£4.61m	£0

source: WEFO, 31/07/2016

The update for this Priority focusses on progress under Glastir to date.. It should be noted that the narrative here also addresses Focus Areas 5d and 5e of Priority 5. Further detail is given below.

Glastir addresses the following focus areas:

- Glastir Entry, Advanced and Small Grants- focus areas 4a, 4b, 5d and 5e.
- Glastir Commons - Focus Area 4a.
- Glastir Organic - Focus Area 4c.
- Glastir Woodland Creation - all of the Priority 4 Focus Areas and Focus Area 5e.
- Glastir Woodland Management and Restoration - Focus Areas 4a and 5e.

Many of the figures presented, currently, are totals of all the relevant focus areas. We are aiming to produce more robust reports for future PMCs, including reporting by Focus Areas.

It should be noted that the cumulative progress to date does not necessarily correspond with the indicator forecasts / achievements as Measure 8.3, 10, 11, 15 along with the maintenance elements of Measures 8.1 and 8.2 are multi annual in nature and therefore only in-year activity is reported against their respective indicators. For Measures 2.1, 4.1, 4.4, 8.4, 8.5, 8.6 and the establishment elements of Measures 8.1 and 8.2 although reported cumulative only completed operations are recorded.

Annex 3: WGRC-RDP 2014-2020 Update

Measure 10.1 has seen total expenditure of £26.9m. This includes 7,338 contracts and covers an area of 528,010ha. Measure 10.1 includes Glastir Entry, Advanced and Commons. It also includes multi-annual, area-based payments for existing farm woodlands in Glastir Woodland Management.

Glastir Entry has achieved a total of 4,591 contracts, amounting to a total area of 413,010ha. Total expenditure for this RDP has been £16.4m for Measure 10.1. No further contract offers will be made, as the Welsh Government considers that more targeted interventions, such as those in Glastir Advanced and, now, Glastir Small Grants are more appropriate to achieve its objectives. Glastir Entry participants whose contracts end in December will have the opportunity to apply to Glastir Small Grants, a capital scheme funded through Measure 4.4 that addresses Priority 4 Focus Areas 4a and 4b, as well as Priority 5 Focus Areas 5d and 5e.

The Welsh Government intends to extend Glastir Entry contracts that underpin Glastir Advanced contracts to finish at the same time. This would see some Glastir Entry contracts extended by between 1 and 3 years.

Glastir Advanced now comprises 2,082 contracts, of which 495 are stand-alone contracts, 1,508 contracts underpinned by Glastir Entry and a further 79 contracts in Glastir Commons. Expenditure under this RDP has been £6.5m for Measure 4.4 and £9.2m for Measure 10.1. Glastir Contract Managers are currently negotiating Glastir Advanced contracts to commence 1 January 2017, but offers need to be made before HM Treasury's autumn statement to be guaranteed funding for the duration of the contract. Any future rounds of Glastir Advanced will rely on long-term assurances from HM Treasury to fund these. To date, 55 capital works plans of operations have been completed to a value of £0.26m.

Glastir Commons is now closed and amounts to 197 contracts covering 119,069ha of land. Total expenditure under this RDP has been £1.3m for Measure 10.1. All eligible contracts will be offered an extension to 2019, to ensure allow time for Grazing Associations to explore other funding mechanisms, such as the Sustainable Management Scheme or payment for ecosystem services prospectuses.

Measure 11 - Glastir Organic supports farmers to convert to (Measure 11.1) or maintain (Measure 11.2) organic farming practices. After two rounds of Glastir Organic applications, 112 contracts to convert and 441 contracts to maintain organic farming practices have been achieved, covering an area of 68,440ha (11,153ha for Measure 11.1 and 57,287 for Measure 11.2). The total expenditure for Measure 11 is £3.9m.

Measure 8.1 - Glastir Woodland Creation has seen the establishment of 107.59ha of new woodland creation. The majority has been established under Measure 8.1 – Afforestation and creation of woodland, with only 1ha under Measure 8.2 – Agro-forestry. Total expenditure to date has been £0.46m of which £78k has been for Focus Area 5e. First claims for maintenance and income foregone will not be made until SAF2017. Two further windows are planned for Glastir Woodland Creation in August 2016 and March 2017 with budgets of £1.7m each.

Measure 8.5 - Glastir Woodland Management includes only legacy contracts from the previous RDP and is paid through Measure 8.5 for capital payments and Measure 10.1 for multi-annual, area-based payments. Presently, there are 268 extant contracts, with expenditure under this RDP amounting to £1.3m for Measure 8.5 and £71k.

Measure 8.4 – Glastir Woodland Restoration supports the re-stocking of larch woodlands that have been infected or threatened by the fungal pathogen *Phytophthora ramorum* and has seen three rounds of expression of interest windows

Annex 3: WGRC-RDP 2014-2020 Update

under this RDP. To date, expenditure has been £0.75m under the first two windows, giving an area of 317ha of woodland undergoing restoration. Two further windows are planned for Glastir Woodland Restoration in August 2016 and August 2017 with budgets of £1.0m each.

Measure 2 – Advisory support. Under this programme, Glastir intends to use advisory support to have water management plans carried out and woodland plans verified against the UK Forestry Standard by Natural Resources Wales (NRW). It also needs to use the expertise of Wales' archaeological trusts to give Contract Managers advice on the most suitable management for Glastir Advanced contracts. To date, no funding has been awarded.

Furthermore, the report of the Glastir Advanced Independent Evaluation panel made a number of recommendations including *Contract Managers need more high quality guidance, support and training* and *Contracts need more follow up visits and advice*. To this end, the Welsh Government began procuring a service that could fulfil the remit of these recommendations. To date, no contract has been awarded, with the decision to award pending the Welsh Government's negotiations with the UK Government to guarantee the funding.

Annex 3: WGRC-RDP 2014-2020 Update

Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Table 6: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 5(b) Increasing efficiency in energy use in agriculture and food processing	1.1	training/skills acquisition - Nr of participants in trainings	64	0
	1.1	Number of training days given	124	0
	1.1	training/skills acquisition - Total public for training/skills	£0.02m	£0
	1.2	Nr of demonstration operations / information actions	20	0
	1.3	Nr of farm exchanges operations supported	5	0
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£0.26m	£0
	2.1	Nr of beneficiaries advised	98	0
	2.3	Nbr of advisor trained	2	0
	2.1 - 2.3	Total public expenditure	£0.21m	£0
	4.1, 4.2 & 4.3	Nr of operations supported for investment (in agricultural holdings, in processing and marketing of ag.	286	0
	4	Total investment (public + private)	£16.93m	£0
	4	Total public expenditure	£6.77m	£0
	16	Number of cooperation operations supported (non EIP)	20	0
	16	total public expenditure	£5.18m	£0

source: WEFO, 31/07/2016

Focus Area	Measure	Outputs	Target	Forecast
FA 5(c) Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy	1.1	training/skills acquisition - Nr of participants in trainings	68	0
	1.1	Number of training days given	128	0
	1.1	training/skills acquisition - Total public for training/skills	£0.03m	£0
	1.2	Nr of demonstration operations / information actions supported	20	0
	1.3	Nr of farm exchanges operations supported	5	0
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£0.30m	0
	2.1	Nr of beneficiaries advised	98	0
	2.3	Nbr of advisor trained	2	0
	2.1 - 2.3	Total public expenditure	£0.17m	£0
	4.1 + 4.3	Nr of operations supported for investment (4.1, 4.3)	187	0
	4	Total investment (public + private)	£3.97m	£0
	4	Total public expenditure	£1.59m	£0
	7.2	Nr of operations supported for investments of small scale infrastructure, incl. investments in renewable energy and energy saving (7.2)	197	0
	7	Total investment (public + private)	£19.57m	£0
	7	Total public expenditure	£16.31m	£0
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	25	0
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	1,870	0
	8.5	Total public expenditure	£0.04m	£0
	8.6	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	250	0
	8.6	Total investment (public + private) (8.6)	£19.29m	£0
	8.6	Total public expenditure	£8.19m	£0
	16	Number of cooperation operations supported (non EIP)	135	0
	16	total public expenditure	£12.28m	£0

source: WEFO, 31/07/2016

Annex 3: WGRC-RDP 2014-2020 Update

Focus Area	Measure	Outputs	Target	Forecast
FA 5(d) Reducing nitrous oxide and methane emissions from agriculture	1.1	training/skills acquisition - Nr of participants in trainings	884	0
	1.1	Number of training days given	1,684	0
	1.1	training/skills acquisition - Total public for training/skills	£0.34m	£0
	1.2	Nr of demonstration operations / information actions supported	20	0
	1.3	Nr of farm exchanges operations supported	5	0
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£3.71m	£0
	2.1	Nr of beneficiaries advised	1,120	0
	2.3	Nbr of advisor trained	2	0
	2.1 - 2.3	Total public expenditure	£1.52m	£0
	4.1, 4.3 & 4.4	Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	143	150
	4	Total investment (public + private)	£8.46m	£0.09m
	4	Total public expenditure	£3.39m	£0.09m
	10.1	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	199,766	59,807
	10.1	Total public expenditure	£17.92m	£11.67m
	16	Number of cooperation operations supported (non EIP)	20	0
	16	total public expenditure	£5.18m	£0

source: WEFO, 31/07/2016

Focus Area	Measure	Outputs	Target	Forecast
FA 5(e) Fostering carbon sequestration in agriculture and forestry	1.1	training/skills acquisition - Nr of participants in trainings	84	0
	1.1	Number of training days given	164	0
	1.1	training/skills acquisition - Total public for training/skills	£0.03m	£0
	1.2	Nr of demonstration operations / information actions supported	20	0
	1.3	Nr of farm exchanges operations supported	5	0
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£0.33m	£0
	2.1	Nr of beneficiaries advised	84	0
	2.3	Nbr of advisor trained	2	0
	2.1 - 2.3	Total public expenditure	£0.20m	£0
	4.4	Nr of operations of support for non productive investment (4.4)	5,090.00	151.00
	4	Total investment (public + private)	£3.59m	£0.36m
	4	Total public expenditure	£1.30m	£0.36m
	8.1	Area (ha) to be afforested (establishment only- 8.1)	1,440	832
	8.1	Total public expenditure (8.1)	£7.66m	£4.43m
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	147	50
	8.2	Total public expenditure (8.2)	£0.43m	£0.20m
	8.3	Nr of beneficiaries for preventive actions	1	0
	8.3	Area supported (ha)	225,000	0
	8.3	Total public expenditure (8.3)	£0.78m	£0
	8.4	Nr of beneficiaries supported	160	184
	8.4	Area supported (ha)	1,591	1,781
	8.4	Total public expenditure (8.4)	£3.72m	£4.02m
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,850	393
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	22,000	3,000
	8.5	Total public expenditure (8.5)	£9.95m	£2.72m
	10.1	Physical Area (ha) under agri-environment-climate for carbon sequestration	585	1,140
	10.1	Total public expenditure	£2.24m	£1.06m
	16	Number of cooperation operations supported (non EIP)	220	0
	16	total public expenditure	£5.48m	£0

source: WEFO, 31/07/2016

Annex 3: WGRC-RDP 2014-2020 Update

To date one successful EOI has been invited to submit a full application under Priority 5 (Focus Area 5c).

The full application has been invited under the Rural Community Development Fund (RCDF) under Measure 7.2 of the Programme. No full application has yet been received.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports will show progress to date on spend and indicators of these full applications.

At present indicator data is not captured prior to the operation's delivery profile being completed. Work is ongoing to capture this data when the full application is submitted.

Annex 3: WGRC-RDP 2014-2020 Update

Priority 6: Promoting social inclusion poverty reduction and economic development in rural areas

Table 7: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 6(a) Facilitating diversification, creation of new small enterprises and job creation	2.1	Nr of beneficiaries advised	336	0
	2.3	Nbr of advisor trained	5	0
	2.1 - 2.3	Total public expenditure	£0.44m	£0
	4	Total investment (public + private)	£2.13m	£0
	4	Total public expenditure	£0.85m	£0
	6.2 + 6.4	Nr of beneficiaries (holdings) receiving start up	140	0
	6	Total investment (public + private)	£27.50m	£0
	6	Total public expenditure	£15.00m	£0
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	400	0
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	4,000	0
	8.5	Total public expenditure	£0.60m	£0
	8.6	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	44	0
	8.6	Total investment (public + private) (8.6)	£3.96m	£0
	8.6	Total public expenditure (8.6)	£1.70m	£0
	16	Number of cooperation operations supported (non EIP)	106	0
	16	Total public expenditure	£0.59m	£0
	6.2, 6.4, 8.6	Number of jobs created	142	0

source: WEFO, 31/07/2016

Focus Area 6a

There have been 21 successful EOIs invited to submit a full application under Focus Area 6(a).

Full applications have been invited under the Timber Business Investment Scheme (TBIS) under Measure 8.6. To date no full application has been received.

Annex 3: WGRC-RDP 2014-2020 Update

Focus Area	Measure	Outputs	Target	Forecast
FA 6(b) Fostering local development in rural areas	7.1	Number of operations supported support for drawing up of village development and N2000/HNV area management plans	100	0
	7.2	Number of operations supported support for investments in small scale infrastructure, incl renewable energy infrastructure	56	0
	7.4	Number of operations supported support for investments in local basic services for the rural population	168	0
	7.5	Number of operations supported support for investments in recreational/tourist infrastructure	100	0
	7.6	Number of operations supported support for studies/investments in rural cultural and natural heritage, incl HNV sites	80	0
	7.7	Number of operations supported support for investments in relocation of activities for environmental/quality of life reasons	50	0
	7.1, 7.2, 7.4, 7.5, 7.6, 7.7	Population benefiting from improved services/infrastructures	1,381,745	0
	7	Total public expenditure	£39.49m	£0
	19	Number of LAGs selected	18	18
	19	Number of projects supported	54	54
	19	Number of cooperation projects supported	27	0
	19	Population covered by LAG	1,381,745	0
	19.1	Total public expenditure - preparatory support	£0.09m	£0
	19.2	Total public expenditure - support for implementation of operations under the CLLD strategy	£32.26m	£0
	19.3	Total public expenditure - preparation and implementation of cooperation activities of the local action group	£3.40m	£0
	19.4	Total public expenditure - support for running costs and animation	£11.92m	£0
	16	Number of cooperation operations supported (non EIP)	31	0
	16	total public expenditure	£7.50m	£0
	7 + 19	Number of jobs created	100	0

source: WEFO, 31/07/2016

Focus Area 6b

There are now 86 successful EOIs and 18 LAGs invited to submit full application under Focus Area 6b.

So far 24 full applications have been received under this Focus Area, totalling a commitment of £38.1m. Of these;

- 8 full applications for Cooperation & Supply Chain Development (C&SCD) Scheme under Measure 16.2 have been received, totalling £4.9m.
- 18 LAGs have submitted full applications, totalling £33.2m.

There are a total of 69 full applications invited under the Rural Community Development Fund (RCDF) under Measures 7.2, 7.4, 7.5, 7.6 & 7.7. To date no full application has been received for these.

Annex 3: WGRC-RDP 2014-2020 Update

Focus Area	Measure	Outputs	Target	Forecast
FA 6(c) Enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas	1.1	training/skills acquisition - Nr of participants in trainings	400	0
	1.1	Number of training days given	400	0
	1.1	training/skills acquisition - Total public for training/skills	£0.04m	£0
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration)	£0.43m	£0
	7.3	Nr of operations for investments in broadband infrastructure and access to broadband, incl e-government services (7.3)	49	0
	7.3	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	500,000	0
	7.3	Total public expenditure	£3.40m	£0

source: WEFO, 31/07/2016

Focus Area 6c

There has been one successful EOI invited to submit a full application under Focus Area 6c. To date no full application has been received.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports will show progress to date on spend and indicators of these full applications.

At present indicator data is not captured prior to the operation's delivery profile being completed. Work is ongoing to capture this data when the full application is submitted.

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020:

Modification to the Welsh Government Rural Communities - Rural Development Programme 2014-2020

Issue

1. The Welsh Government is proposing to submit a modification to the European Commission on the Welsh Government – Rural Communities Rural Development Programme 2014-2020. Article 11 of Regulation (EU) No. 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) permits Member States to request amendments to their Programmes.

Background

2. The Programme was approved by the European Commission on the 26 May 2015. Article 49(3) of Regulation (EU) No. 1303/2013 says that the Managing Authority will seek the opinion of the Programme Monitoring Committee (PMC) before submitting a programme amendment request to the European Commission.

Recommendation

3. The Welsh Government is seeking the opinion of PMC members on the changes proposed in Annex 1 prior to its formal submission to the European Commission.

Welsh Government Rural Communities – Rural Development Programme 2014-2020, Proposal for the first modification of the Programme

The Welsh Government proposes to modify the Programme document. The proposed amendment is set out below according to the requirements set out in Article 4 of Regulation (EU) No. 808/2014.

1. Type of amendment - Regulation (EU) No. 1305/2013:

The proposed amendment falls under type a) Decision Article 11(a) (i) (First paragraph of Article 4(2) of Regulation (EU) 808/2014): a change in the programme strategy through a change of more than 50 % in the quantified target linked to a focus area.

The proposed modification will also include the following types of amendment:

11(a) (ii): a change in the EAFRD contribution rate of one or more measures;

11(b):

- (i) the introduction or withdrawal of measures or types of operations;
- (ii) changes in the description of measures, including changes of eligibility conditions;

11(c) corrections of a purely clerical or editorial nature that do not affect the implementation of the policy and the measures

2. Amendment modifying information provided in the Partnership Agreement (PA)

The proposed amendment falls under type a) Amendment under Article 30(2) of Regulation (EU) No. 1303/2013, specifically affecting the information provided in the PA in accordance with points:

(a)(iii) with reference to “selected thematic objectives, and for each of the selected thematic objectives a summary of the main results expected for each of the ESI Funds”,

and

(a)(iv) “the indicative allocation of support by the Union by thematic objective at national level for each of the ESI Funds, as well as the total indicative amount of support envisaged for climate change objectives”.

The proposed amendment does not seek to alter the milestone targets set for the Performance Reserve.

3. Amendment related to the third sub-paragraph of Article 4(2) of R.808/2014: Not applicable.

4. Consultation of the monitoring committee (Article 49(3) of R.1303/2013)

a. Date of consultation: 09/09/2016

b. The opinion of the All-Wales Programme Monitoring Committee is sought and will be appended to the modification when submitted formally to the European Commission (maximum 1 page).

5. Amendment description - Article 4(1) of R.808/2014

a. Title of the amendment

First modification to the approved Programme.

b. Reasons and/or implementation problems that justify the amendment and c. Expected effects of the amendment

The proposed changes are set out below using the types of amendment headings from point 1 above. The expected effects of each amendment follow each description, for ease of understanding.

11(a) (i) a change in the programme strategy through a change of more than 50 % in the quantified target linked to a focus area

The Welsh Government proposes to remove sub-Measure 6.1 (Young Entrant Start-Up Aid) under Measure 6 (Farm and Business Development) from the approved Programme. Sub-Measure 6.1 was the only direct contributor to Focus Area 2B: *Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.*

1. Under sub-Measure 6.1 the approved Rural Development Programme for Wales made available start-up aid as a flat rate lump sum of €70,000 per applicant for working capital, available to new and young entrants. However, the scheme was not implemented in the opening period of the Welsh Government Rural Communities – Rural Development Programme 2014-2020 as there was a lack of appetite from the industry for a scheme which would potentially have taken a large share of the RDP budget without delivering the intended benefits.
2. The experience from the Welsh Government's previous domestic-funded Young Entrants Support Scheme suggested that existing farm businesses would be strongly inclined under such rules to make changes to their structure in order to access the available funding. The decision was taken by Ministers of the previous Government to instead focus on developing the suite of support available through Measures 1, 2 and 4 of the Rural Development Programme to benefit new and young farmers.
3. Further recent discussions with stakeholders re-investigated the potential of Measure 6.1 but did not succeed in finding a mechanism to ensure genuine new entrants would benefit. It has therefore been agreed that this approach would not be the most appropriate use of public funds to achieve policy objectives of attracting new and young entrants into the industry.

4. The current Knowledge Transfer and Advisory Services delivered through the Farming Connect scheme such as “Mentor/Venture”, which provides an integrated package of training, mentoring, business support and specialist legal advice, tailored to an individual’s personal and business requirements, are seen as a more sustainable and achievable interventions to stimulate more new and young entrants to come into the industry.

11(a) (ii): a change in the EAFRD contribution rate of one or more measures;

The proposed modification seeks to amend the financial tables (see ANNEX 1 Amendments to Financial Tables) for the following reasons which are explained below:

- Pillar 1 Capping Reduction
- Correction of Funding Derogations
- Change of Co-financing Rate for Mainstream funds to 53% EU / 47% UK
- Changes to the Indicative Carry-over Table

Pillar 1 Capping Reduction

Following the review of Pillar 1 carried out in 2015 and the subsequent changes to the Pillar 1 scheme, the amounts of funding transferred to Pillar 2 as a result of capping have reduced. It is therefore necessary to amend the financial tables for the Rural Development Programme to include the reduced amount of Pillar 1 capping within the Pillar 1 Transfer line (Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013).

The estimated reduction totals €4,249,000 over the programme period as shown below:

Pillar 1 Capping Estimates

Pillar 1 Year	Pillar 2 Year	Current Approved RDP	Revised Estimates	Difference
2015	2016	€ 960,000	€ 0	-€ 960,000
2016	2017	€ 960,000	€ 11,000	-€ 949,000
2017	2018	€ 960,000	€ 58,000	-€ 902,000
2018	2019	€ 960,000	€ 166,000	-€ 794,000
2019	2020	€ 960,000	€ 316,000	-€ 644,000
Total		€ 4,800,000	€ 551,000	-€ 4,249,000

The effects of this change are minimal and cannot be avoided. Indicators have been amended as a result of the package of financial changes. Appropriate amendments have already been made to the UK Partnership Agreement as a result of an earlier request from the European Commission.

Correction of Funding Derogations

Point 10(c) (i), Part I, Annex I of Regulation (EU) No.808/2014

Due to the dual running of the 2007-2013 Programme and the 2014-2020 Programme it became necessary to change the funding derogations of some activities at the beginning of the 2014-2020 Programme in order to maximise delivery within the restrictions of Welsh Government domestic budgets used for co-financing.

Further to this, clarification on focus areas associated to certain schemes has led to the introduction of new focus areas. As a result, claims to date have included costs associated to funding derogations and focus areas currently not programmed in the approved financial tables. The European Commission have confirmed that this is possible, providing an explanation is included with any EC claims along with a guarantee that the financial tables will be appropriately amended as part of the next modification. Confirmation was received through a presentation during the September 2015 Rural Development Committee meeting and clarified with the DG AGRI Desk Officer for Wales.

This modification will amend the financial tables to ensure that the correct derogations and focus areas are now programmed. The indicative allocation at focus area level has been revisited for all activity and amendments are included as required. Financial details can be found in the revised financial tables below.

This change has allowed additional activity to be delivered during the early stages of the programme whilst maximising the use of both EU and national domestic funds. It has also ensured continuity of transitional activity and simplified financial management processes for the activities concerned.

Indicators have also been amended in response to the changes and revised indicator details are included elsewhere in this modification. This change will result in a change to the financial data within the UK Partnership Agreement, which will be amended at the first opportunity.

Change of Co-financing Rate for Mainstream funds to 53% EU / 47% UK

The Rural Development Programme was approved by the European Commission on 28th May 2015. As a result of this European funding for 2014 could not be drawn down from the European Commission and was subsequently split between 2015 and 2016. Further to this, recent changes in the exchange rate have meant that for each £ Sterling spent, the Welsh Government has drawn down more EU funding from the European Commission in Euros than originally planned, meaning less £ Sterling of Welsh Government co-financing is required for the programme.

The current planning exchange rate is €1 = £0.85 and financial tables are based on this value. This rate was appropriate at the time of submitting the Programme for approval, however, since approval, the actual exchange rate has fluctuated wildly. The rate has reached a high of €1 = £0.83 and a low of €1 = 0.70. Although there is a great deal of uncertainty regarding future exchange rates due to the recent EU Referendum, it is considered prudent to revise the planning rate assumption to €1 = £0.8 in order to rectify earlier differences. This will be closely monitored over the coming years to ensure a suitable planning rate is used throughout.

This change itself does not have any impact on the approved financial tables as the Euro value of the European contribution to the Programme will not change, however will impact on the level of activity that will be delivered due to a lower £ value of the Programme.

Further to this, due to the economic climate during the Programme period to date, and foreseen, Welsh Government domestic budgets have reduced across the board for the entire programming period. This means that less Welsh Government funding is currently available for co-financing the Rural Development Programme. Although it had been intended to restore funding levels later in the programme, this is now unlikely due to the decision by the UK to leave the European Union as the uncertainty of the length of the programme period results in a need to draw down EU funding at a quicker rate to ensure the maximum activity can be delivered within existing Welsh Government co-financing budgets and will depend on the timescales involved in the UK exit of the European Union. For these reasons it has become necessary to change the co-financing rate for the remainder of the programme.

The effect of the reduced co-financing is detailed within the revised financial tables below. Indicators have been amended in line with the revised financial package elsewhere within this modification. As a financial change, this modification will be reflected in a subsequent change to the UK Partnership Agreement.

Indicative Carry-over Table
Point 19, Part I, Annex I of R.808/2014

Following the late confirmation that Non Convergence funding could not be spent in Convergence areas, it was not possible to fund as much transitional activity as originally planned from the previous programme.

Further to this, Pillar 1 Transfer funding has been used to fund transitional activity which was originally intended to be funded by co-financed mainstream funds. As a result the EU contribution has increased.

The Indicative Carry over Table within the RDP has been updated to reflect the additional transitional spend now required in the 2014-20 programme.

Indicators have been amended in line with the revised financial package see **section d** below.

Contribution to environmental and climate related measures

The proposed modification still complies with all of the requirements regarding Fund Contribution as set out in Article 59 of Regulation (EU) No. 1305/2013. Article 59(6) of Regulation (EU) No. 1305/2013 sets out that:

“At least 30 % of the total EAFRD contribution to the rural development programme shall be reserved for measures under the following Articles: Article 17 for environment and climate related investments; Articles 21, 28, 29 and 30, with the exception of Water Framework Directive related payments; and Articles 31, 32 and 34.”

At the point of its adoption the Rural Development Programme for Wales had allocated 69.17% to environmental and climate related measures. The proposed modification would change this to a 61.9% contribution, still clearly exceeding the 30% regulatory minimum.

11(b):

(i) the introduction or withdrawal of measures or types of operations;

In addition to the proposed removal of sub-Measure 6.1 from the Programme, mentioned above, the Welsh Government proposes to remove sub-Measure 4.3. This change does not involve a change of more than 50% to the quantified target linked to any focus area.

Sub-Measure 4.3 (Farm and Forestry Infrastructure) was to have been used to fund new infrastructure required under any Glastir Woodland Management contracts. However, no new Glastir Woodland management contracts have been issued and infrastructure payments for Glastir Woodland Management contracts signed under the Rural Development Plan for Wales 2007-2013 are funded through sub-Measure 8.5 in accordance with the Transitional Regulation. The Welsh Government has therefore decided to prioritise new woodlands and tree planting (sub-Measures 8.1 and 8.2) and the restoration of woodlands affected or threatened by *Phytophthora ramorum* under sub-Measure 8.4.

(ii) changes in the description of measures, including changes of eligibility conditions;

Measure 2.2 – Support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services

Payment for costs associated with management and coordination of the advisory service is based on a reducing, degressive, basis over five years in accordance with EU requirements. Contractors have developed and demonstrated innovative and sustainable approaches enabling the management and co-ordination of activities as part of the Advisory Service to become self-sustaining as part of the Advisory Service by the end of year five. The Welsh Government is proposing to amend the degressivity figures used to pay service providers for setting up an advisory service. More initial upfront support in Advisory Service set up is required in order to achieve the self-sustainable Advisory Service.

Text originally approved:

100% for Yr1, 80% for Yr2, 60% for Yr3 and 20% for Yr4 and Yr5.

It is now proposed to use the following degressive percentages which support the linear approach to the spending:

100% in Yr1, 80% in Yr2, 75% in Yr3 followed by 25% in Yr4 and 20% in Yr5.

Measure 4.1 – Support for investments in agricultural holdings

The Welsh Government proposes to amend the beneficiary wording to add "whether legal or natural persons". This change is necessary to make provision (in addition to existing businesses) for the sub-measure to cover new businesses that are going to undertake agricultural production through

other methods such as hydroponics and aquaponics where there might not be a CPH Number and no land based production.

The Welsh Government also proposed to include a table of standard costs which will be used for grants between €3,000 and €15,000 (see Annex 2). It is proposed that, subject to discussions regarding the appropriate route for State Aid cover, grants up to €15,000 will be covered by Commission Regulation 1408/2013-Agriculture De Minimis.

This standard cost table will cover equipment and investment costs, detail of items and costings are being developed with key industry stakeholders. Independent verification will be provided.

The Welsh Government proposes to include a new option under this sub-Measure to fund beehives. There is currently no other funding option available at present for establishing honeybee colonies in Wales. Funding will be to a maximum of 3 hives as this is a reasonable number that a new beekeeper can manage. A single hive may accommodate approximately 50,000 bees providing a significant pollinating service. A single hive can produce an average quantity of 11kg of honey per year. 33 kg of honey is not sufficient to be considered production. The grant payable is not designed to cover the costs of honey harvesting or processing equipment, marketing or any of the necessary certification needed for marketing of food stuffs. Funding will be available for a single option comprising beehive plus bees. Verifiability will be based on a complete hive in situ with bee colony present. The value of the option will be £420, based on a 'National' style wooden hive (£270.00) plus bees (£150.00). Costs have been independently verified.

N.B. Glastir grant is not available for costs of honey harvesting equipment, insurance, or courses, as these contribute to production, or are multi-annual costs. Glastir grant is not available for costs of protective clothing, or other tools, as these are only needed once, independent regardless of the number of hives.

Measure 4.2 – Support for investments in processing/marketing and/or development of agricultural products

The Welsh Government proposes to amend the aid intensity rate for micro and small enterprises in less developed areas where the output is a non-annex 1 product. This is to change from 45% to 40%. This is to bring the grant rate in line with the state aid cover.

Measure 7 – Basic Services and Village Renewal

Measure 7.1 concerns support for the drawing up of development plans and protection and management plans. Applicants must have access to a detailed plan to support their application to M7.2-7.7 for an investment grant. The Welsh Government's Community-led Local Development Consultation Group (whose members represent external stakeholders) has agreed that there is a logical progression from the engagement, capacity building and piloting activities undertaken via M19 – LEADER by the LEADER Local Action Groups to M7.1 support for the drawing up development plans and protection and management plans. The Welsh Government therefore proposes to hold one

call under M7.1 for the submission of applications from the administrative bodies for LEADER Local Action Groups who, if successful, will commission the drawing up of development plans and protection and management plans within their Local Action Group's territory. The Welsh Government proposes to make changes the Programme text to permit this approach.

Measure 8.1 – Support for afforestation/creation of woodland

The Welsh Government offers woodland establishment (capital) payments together with maintenance and income forgone as stated in the approved Programme. An amendment is proposed to permit the Welsh Government to choose (as an additional option) to offer a capital only payment which may be made in up to three instalments. This is to ensure species are well-suited to the site.

The Welsh Government wishes to have the flexibility to offer capital-only payments to allow future expressions of interest to focus on short term establishment of woodland without the need for a long term income forgone and maintenance payment. This will provide flexibility to allow both farmers and non-farmers to participate in the measure. Splitting the capital payment into three instalments allows staged establishment work and conforms to the principle of paying for work completed where the work is done over a three year period.

Amending the species mixture at higher elevations ensures that the species planted are well suited to site. The Welsh Government therefore proposes to add text "At elevations over 350m there must be a minimum of 3 species suited to site and one of those species may be 60% of the area provided it is established in the creation plan that greater diversity of species is not achievable owing to site conditions.".

Measure 10.1 – Payment for Agri-Environment-Climate commitments

The Welsh Government proposed to amend this sub-measure to include an extension of Commons contracts until 31 December 2019 to ensure all commitments finish at the same time. This is to allow the benefits for water and habitat management, particularly the peatland resource, to be maintained and allow valuable time and continued support to allow grazing associations to seek out and develop new funding mechanisms, such as payment for eco-system services and carbon trading, from 2020 onwards.

It is also proposed to amend the text to permit an extension of Glastir Entry contracts into Years 6, 7 and 8. It is an eligibility condition of Glastir Advanced contracts that an applicant must already be in a Glastir Entry contract. This will align the period of Glastir Entry contracts with the Glastir Advanced contracts preventing the potential breach of eligibility conditions.

In order to avoid double funding with the Greening element of the basic payment scheme, certain commitments concerning landscape features that qualified as for Greening were paid an income foregone payment prior to the introduction of the basic payment scheme. A change to the "applicable

amounts and support rates section” is now proposed to remove the income foregone payment for these commitments.

The payment for burning has also been amended to remove a zero payment in the largest payable area tier to comply with a request from the European Commission that an amount greater than zero must be paid where a commitment is carried out.

Furthermore the Welsh Government has made the following suggested changes under the eligible costs section to include the following:

- A number of the payments for various landscape features that can be used for Greening in the basic payment scheme (BPS) have been amended to reflect the removal of the income foregone element and the relevant section of the fiche that pertains to them has been updated accordingly.
- The basic level scheme payments have also been amended, where relevant, to avoid over-compensation for the reimbursement of the capital element which was paid over the first five years. These payments now only reflect the income foregone, unless they are already covered by Greening in BPS. This is to avoid double funding with Greening (landscape features). – The income foregone payment for maintaining the hedge has been stripped out and other component item payments that form part of the commitment lifted to at or below the independently verified item costing.
- 9 additional commitments (Options 413-421) have been included in measure 10.1, having previously been included in Measure 4.4. This change is required because they are to be paid as multi-annual payments. They do not involve building construction costs. These options were approved previously as 500, 501, 502, 503, 504, 505 and 672 funded by M4.4. Options 500, 501, 502, 503, 504, 505 and 672 will continue to be funded by Measure 4.4 where they have been used in existing contracts signed up to and including 2016. Options 413 – 419 will be used for new contracts commencing 2017 onwards. Options 420 and 421 will be funded by Measure 10.1. These new options were created for administrative purposes only.
- The payment for the commitment of annual burning (412) has now had the zero payment tier removed and the lowest extends to every eligible hectare.

As a final suggested change for this measure there will be an insertion of new text under the description of the methodology section in measures 10.1, 11.1 and 11.2 to include, "Payment area will be made for features which are not eligible for the purpose of direct payment but contribute to the environmental

value of the commitment". This follows agreement sought from the European Commission, Ares (2015) 3277872 - 05/08/2015, refers.

Measure 11 – Organic Farming

The Welsh Government proposes to add new wording to cover natural features as part of the agricultural area. Natural features include bracken, scrub and individual and groups of tree and stumps. These features are a component of a commitment (habitat) that we are paying over, e.g. hay meadow, marshy grassland. This is the same approach used for the organic scheme as for AEC following agreement sought from the European Commission, Ares(2015)3277872 - 05/08/2015, as above.

Measure 16.1 – The European Innovation Partnership (EIP)

The Welsh Government proposes to revise the eligibility conditions section to include a requirement that in order to be eligible for support all Operational Groups will consist of a minimum of 2 farmers/foresters based in Wales as the lead actors. Each farmer must also come from a separate business in Wales and have management control of a minimum of 3ha each. This eligibility requirement for the core actors (farmers and foresters) under M16.1 mirrors the eligibility requirements for Knowledge Transfer (Measure 1) and Advisory Service (Measure 2), due to the delivery of EIP being embedded within Measures 1 & 2.

Measure 16 – Co-operation

The Welsh Government proposes to amend the text throughout Measure 16 to ensure conformity with DG AGRI's technical clarification that support under sub-Measure 16.4 can only be given for agricultural supply chains with one step from farm-gate to consumer.

Measure 16.8 - Support for the Drawing up of Forest Management Plans

The Welsh Government proposes to make amendments to the text to reflect that co-operative forest planning will now need to be run as a stand-alone investment grant. It was intended to run the scheme as part of the wider Glastir suite of support for forestry using the CAPIT process but it has not been possible to open all the Glastir schemes.

The following text changes are to be added:

- The Welsh Government may use this measure to support strategic forest planning activity using an expression of interest bidding process. In this case participation in strategic forest planning will be allowed in addition to operational forest planning described above.
- Strategic forest planning including contextual plans, surveys and development of strategic search zones for woodland creation may be supported. In these cases the selection criteria will be based on the strategic scope of the proposal, the principles of sustainable management of natural resources, the principles and criteria embodied in the UK Forestry Standard, collaboration and involvement of stakeholders and

participation in pre-application orientation events. The results of strategic planning activity will be disseminated.

- Applicants for strategic forest planning activity will be groups or consortia including forest holders, other actors in rural development including statutory organisations and other stakeholders.
- For strategic forest management planning, the support rate will be 100% of the eligible costs of the co-operation.
- Standard costs are not appropriate for strategic forest planning and in this case, actual costs will be reimbursed.
- Under beneficiaries this may be two or more of the beneficiaries listed acting as a strategic forest planning consortium.

Measures 16 (Co-operation), 19 (Support for LEADER Local Development) & 20 (Technical Assistance Member States)

The Welsh Government proposes to amend the text to clarify which simplified cost options are to be used under which sub-Measures. The Welsh Government's "Simplified Cost Guidance Notes" document will be appended together with an explanation of the calculations and the independent verification of the costings.

11(c) corrections of a purely clerical or editorial nature that do not affect the implementation of the policy and the measures

Section 4.1.6 - Common Context Indicators and 4.17 - Programme-specific context indicators

To fill gaps in the data and/or where proxy values were used and to update with Welsh level indicators as appropriate.

Section 8.2: Measure 1

Under Measure 1 a textual amendment is proposed to reflect that in order to qualify for the farm and forest management exchange programme participants must now participate in benchmarking their business and have a personal development plan in place. Benchmarking businesses taking part in the exchange programme will enable the Managing Authority to measure the long-term impact of sub-measure 1.3 on participants. This is an amended title for Skills assessments, which was included within the approved Rural Development Programme (8.2.1.2 – p216).

Section 8.2: Measure 15

The Welsh Government proposes to attach additional documents for information: the Wales Implementation Guide "How we will implement the UK Forestry Standard's Practice Guide: Managing Forests in Acid Sensitive Water Catchments in Wales" and guidance on managing deep peat (afforestation/restoration).

Section 13 – Elements needed for State Aid Assessment

The Welsh Government proposes to update the State Aid section of the Programme document where discussions regarding State Aid cover have reached pre-notification or full-notification or confirmation of Block Exemption cover as appropriate.

Section 15 – Programme Implementing Arrangements

The Welsh Government proposes to amend the text regarding the Management and Control Structure to update the names of Welsh Government departments in line with the most recent changes and to add to delivery options the potential for the Managing Authority to appropriately designate intermediate bodies.

d. Impact of the change on indicators

This section outlines the Welsh Government's proposed amendments to the current targets and value within the Indicator Plan for the Welsh Governments Rural Communities - Rural Development Programme 2014 – 2020. The Indicator Plan is a set of tables accompanying the strategy of the Programme, quantifying the targets for the period 2014-2020, as well as the main planned outputs and the planned expenditure for each Focus Area selected. Outputs are linked directly to financial allocations, thus changes in financial allocations necessitates concomitant changes to the linked output targets.

As a Measure can be programmed under different Focus Areas, the indicator plan shows the specific share of the Measure programmed for a given Focus Area (planned outputs / expenditure). As such, the indicator plan provides the planned distribution of resources (expenditure / physical outputs) by Measure and by Focus Area, and in relation to the targets for the Programme.

Annex 3 of this document provides a full list of the proposed amendments to indicator values against current approved figures.

The proposed changes are in response to financial changes to the programme described and will ensure more informed and realistic targets for the Programme. These amendments will result in a change to the UK Partnership agreement, which will be amended accordingly. The updated data reflects the strategic and financial changes of the Programme since its original approval in May 2015 and will ensure that accurate programme indicators are used for future reporting and help to inform future evaluations of the Rural Development Programme 2014-2020.

e. Relationship between the change and the PA

The proposed modification affects the information provided in the Partnership Agreement in accordance with points:

- (a)(iii) "selected thematic objectives, and for each of the selected thematic objectives a summary of the main results expected for each of the ESI Funds",
- and
- (iv) "the indicative allocation of support by the Union by thematic objective at national level for each of the ESI Funds, as well as the total indicative amount of support envisaged for climate change objectives"

The following table from the Partnership Agreement shows the approved Allocation of Support by the Union by Thematic Objective. The right-hand column shows the proposed amendments which reflect the financial amendments discussed above.

	Total Union Contribution Planned 2014-2020	
Thematic Objective	Current Approved	Proposed
1.Strengthening research, technological development and innovation	€ 42,931,946.00	€ 81,786,605.00
2. Enhancing access to, and use and quality of, information and communication technologies	€ 1,720,000.00	€ 1,644,963.46
3. Enhancing the competitiveness of small and medium-sized enterprises	€ 101,198,000.00	€ 84,588,183.89
4. Supporting the shift towards a low-carbon economy in all sectors	€ 39,177,255.86	€ 32,714,453.54
5. Promoting climate change adaptation, risk prevention and management	€ 178,013,864.07	€ 148,113,520.00
6. Preserving and protecting the environment and promoting resource efficiency	€ 178,013,864.07	€ 148,113,520.00
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	€ 0.00	€ 0.00
8. Promoting sustainable and quality employment and supporting labour mobility	€ 9,179,490.00	€ 13,875,413.11
9. Promoting social inclusion and, combating poverty and any discrimination	€ 61,019,866.00	€ 76,450,603.54
10. Investing in education, training and vocational training for skills and lifelong learning	€ 25,294,117.00	€ 43,720,500.47
Technical assistance	€ 19,290,760.00	€ 20,582,400.00
Sum TOTAL	€ 655,839,163.00	€ 651,590,163.00

ANNEX 1 Amendments to Financial Tables

Table 10.1 Annual EAFRD contributions in (€)

Types of regions and additional allocations		2014	2015	2016	2017	2018	2019	2020	Total
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	No Change	0.00	44,038,109.00	43,961,118.00	29,178,230.00	29,097,976.00	29,021,403.00	28,970,652.00	204,267,488.00
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	No Change	0.00	32,497,320.00	32,440,505.00	21,531,675.00	21,472,452.00	21,415,947.00	21,378,496.00	150,736,395.00
Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	Current Approved	0.00	47,671,570.00	48,730,162.00	48,828,862.00	48,925,788.00	49,068,229.00	49,210,669.00	292,435,280.00
	Proposed	0.00	47,671,570.00	47,770,162.00	47,879,862.00	48,023,788.00	48,274,229.00	48,566,669.00	288,186,280.00
Regulation (EU) No 73/2009 - Article 10b and Article 136	No Change	0.00	4,200,000.00	4,200,000.00	0.00	0.00	0.00	0.00	8,400,000.00
Total	Current Approved	0.00	128,406,999.00	129,331,785.00	99,538,767.00	99,496,216.00	99,505,579.00	99,559,817.00	655,839,163.00
	Proposed	0.00	128,406,999.00	128,371,785.00	98,589,767.00	98,594,216.00	98,711,579.00	98,915,817.00	651,590,163.00

Table 10.2 Single EAFRD contribution rate for all Measures, broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013

Article establishing the maximum contribution rate.		Applicable EAFRD Contribution Rate	Min applicable EAFRD cont. rate 2014-2020 (%)	Max applicable EAFRD cont. rate 2014-2020 (%)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Current Approved	43%	20%	85%
	Proposed	53%	20%	85%
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Current Approved	43%	20%	53%
	Proposed	53%	20%	53%

Table 10.3 Breakdown by measure or type of operation with a specific EAFRD contribution rate (in € total period 2014-2020)

Measure	Total Union Contribution planned 2014-2020 (EUR)		Reason For Change
	Current Approved	Proposed	
1	€ 25,294,117	€ 43,720,500	Change in Planning Rate/Co-financing Rate Additional Strategic activity envisaged
2	€ 6,609,593	€ 10,799,851	Change in Planning Rate/Co-financing Rate Additional Advisory Services proposed
3	€ 0	€ 0	No Change
4	€ 298,783,284	€ 177,483,720	Change in Planning Rate/Co-financing Rate Co-financed Mainstream Funds to be used rather than non-co-financed Pillar 1 Transfer M4.3 no longer being delivered Movement of Options from M4.4 into M10.1
5	€ 0	€ 0	No Change
6	€ 19,941,177	€ 12,924,553	M6.1 no longer being delivered Change in Planning Rate/Co-financing Rate
7	€ 29,947,907	€ 39,087,502	Change in Planning Rate/Co-financing Rate
8	€ 31,133,822	€ 35,301,407	Change in Planning Rate/Co-financing Rate Reduced activity Increased use of non-co-financed Pillar 1 Transfer rather than co-financed Mainstream funds
9	€ 0	€ 0	No Change
10	€ 133,313,603	€ 175,022,344	Change in Planning Rate/Co-financing Rate Movement of Options from M4.4 into M10.1
11	€ 22,258,823	€ 26,474,317	Change in Planning Rate Increased use of non-co-financed Pillar 1 Transfer rather than co-financed Mainstream funds Reduced activity
12	€ 0	€ 0	No Change
13	€ 0	€ 0	No Change
14	€ 0	€ 0	No Change

WPMC(16)77 – Annex 1

15	€ 151,765	€ 198,750	Change in Planning Rate/Co-financing Rate
16	€ 36,322,353	€ 70,986,754	Change in Planning Rate/Co-financing Rate Additional Strategic activity envisaged Increased use of non-co-financed Pillar 1 Transfer rather than co-financed Mainstream funds
17	€ 0	€ 0	No Change
18	€ 0	€ 0	No Change
19	€ 32,791,959	€ 39,008,065	Change in Planning Rate/Co-financing Rate Correction of funding requirements following project approval
20	€ 19,290,760	€ 20,582,400	Change in Planning Rate/Co-financing Rate Reduced Allocation in £ due to lower programme value
Total	€ 655,839,163	€ 651,590,163	

Table 19.2 – Indicative Carry Over Table

Measures	Total Union Contribution planned 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
	Current Approved	Proposed
M01 - Knowledge transfer and information actions (art 14)	0.00	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	0.00	0.00
M04 - Investments in physical assets (art 17)	21,006,977.00	26,495,019.50
M06 - Farm and business development (art 19)	0.00	0.00
M07 - Basic services and village renewal in rural areas (art 20)	0.00	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	7,505,201.00	9,755,372.72
M10 - Agri-environment-climate (art 28)	59,976,778.00	118,791,384.82
M11 - Organic farming (art 29)	0.00	0.00
M15 - Forest environmental and climate services and forest conservation (art 34)	0.00	0.00
M16 - Co-operation (art 35)	0.00	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	0.00	0.00
M20 - Technical assistance Member States (art 51-54)	0.00	0.00
Total	88,488,956.00	€ 155,041,777

ANNEX 2

<u>Item</u>	<u>Description</u>
<i>Health, Genetics & Performance</i>	
Cattle Equipment	
Mobile Handling Systems	Mobile system consisting of corral, race and crush on an integrated trailer
Fixed Handling Systems	Minimum specification will be designed for a semi-permanent system which will include corral and race up to the point of a crush
Cattle crush	Fully automatic head yoke with auto reset facility, complete access to both sides, ratchet type rump bar
Electronic Weigh System	Ability to record individual animals with computer or mobile device interface and able to interface with Auto ID Shedding Gate
Weigh Bars / Platforms	
Cattle Auto ID Shedding Gate	
Foot trimming add-on to crushes	
Calving detectors	
Cow tracks	
Cluster flush	
Automated footbaths	
Monitoring system - Rumination	
Monitoring system - Mastitis	
Monitoring system - Gait analysis	
Monitoring system - Heat detection	
Sheep Equipment	
Mobile Handling Systems	Suitable for 250 sheep to include a handling pen, race and gates on an integrated trailer
Fixed Handling Systems	Minimum specification will be designed for a semi-permanent system
Electronic Weigh Scales	
EID hand held devices	
Pig Equipment	
Fixed Handling System	

<u>Item</u>	<u>Description</u>
Electronic Weigh Scales	
Enclosed piglet creeps	
General Equipment	
Ventilation fan systems for housed stock	
Faecal egg count monitoring equipment	
Raised water troughs	
<i>crop management</i>	
Potato and specialist horticulture equipment	
Root crop harvesting	
De stoner	
GPS for precision farming	
Variable rate fertiliser applicator	
Variable rate sprayer	
Subsoiler	
Aerator	
Minimum tillage/cultivation machinery	
Arable crop roller	
Rotovator	
Power Harrow	
Seed drills	
Grain Augers	
Vehicle mounted grass and soil measuring equipment	
Electronic plate meter	
Robotic silage pusher	
Mats for silage pits	
<i>energy efficiency</i>	
Heat recovery unit/plate cooler	
Variable Speed Drives on vacuum pumps and/or milk pumps	Variable speed motors save electricity by only doing the work required
Improving efficiency of Plate Heat Exchanger (PHE), including solenoid valve	Control equipment regulates cold water flow to match the flow of warm milk
LED lighting equipment including controls	
Efficient water heater/thermostatic controls	
Efficient compressor/condensers	
Fuel meters	
Electric scraper systems	
Solar cooling system	
Rapid milk cooling system utilising pre-installed renewable energy	

<u>Item</u>	<u>Description</u>
Energy efficient milk storage tanks	
Humidity controls for grain drying and dehumidifiers	
Mixed flow driers	
Cross flow driers with recirculation	
Flexible insulated store dividers	
Integrated wash down facilities for parlour	
<i>resource Efficiency</i>	
Trailing shoe slurry system including macerators	
Slurry separator	
Shallow injections systems	
Water storage tanks for Plate Heat Exchanger	
Water harvesting and filtering equipment	
Roof/cover or floating cover for slurry stores	
Hydraulic ram pumps (water)	
Mechanical wind pumps	
Bore hole	
<i>ICT</i>	
Computer hardware including handheld devices when purchased in conjunction with specialist software	
Farm Software, business and physical recording applications (subscription fees not included)	

ANNEX 3**1. Indicator Plan****1.1. Indicator Plan**

1.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

1.1.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	14.09	22.37
Total RDP planned public expenditures	1,126,425,705.58	970,868,076.65

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	58,823,527.91	82,491,510.32
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	15,371,146.51	20,377,077.84
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	84,470,588.38	114,344,253.75

1.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	1,147.00	957.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	45.00	45.00
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	1,102.00	912.00

1.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	13,000.00	10,220.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	13,000.00	10,220.00

1.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

1.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	10.08	1.59
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	2,431.00	384

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	24,120.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	8,560.00	7,484.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	3,970,400.00	3,155,935.48
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	40,944,000.00	42,652,855.84
M02 - Advisory services, farm management and farm relief	Nr of beneficiaries advised (2.1)	5,160.00	2,760.00

services (art 15)			
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	7,709,890.70	8,452,241.77
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	2,431.00	384
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	2,117,646.51	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	174,544,118.00	175,312,502.25
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	67,700,000.00	70,125,000.90
M04 - Investments in physical assets (art 17)	Total public expenditure €	69,817,646.51	70,125,000.90
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	423,527.91	452,939.76

1.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

No measures are now selected in the strategy for this focus area.

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.73	0
Number of agriculture holdings with RDP supported business development	177.00	0

plan/investments for young farmers (focus area 2B)		
---	--	--

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	24,120.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	840.00	0
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	380,000.00	0
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	3,860,000.00	0
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	840.00	0
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	1,280,000.00	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	177.00	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agri activities in rural areas (6.4)	0	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	0	0

M06 - Farm and business development (art 19)	Total investment € (public + private)	0	0
M06 - Farm and business development (art 19)	Total public expenditure € (6.1)	12,352,941.00	0
M06 - Farm and business development (art 19)	Total public expenditure €	12,352,941.00	0

1.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

1.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0.68	0.21
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	165.00	50.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	24,120.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	1,000.00	986

M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	271,550.00	27,303,121.92
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	2,715,527.91	29,867,857.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	600.00	240.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	981,020.93	865,564.95
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	120.00	120.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	117,000,000.00	117,000,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	47,056,909.30	44,750,000.00
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	165.00	50
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	26,094,118.61	33,165,810.53

1.1.3.2. 3B) Supporting farm risk prevention and management

No measures have been selected in the strategy for this focus area.

1.1.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Agriculture

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	995.00	778.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	455,000.00	327,889.40
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	4,920,000.00	4,431,465.54
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	4,330.00	3,186.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	2,290,401.51	5,007,664.74
M04 - Investments in physical assets (art 17)	Nr of operations of support for non productive investment (4.4)	16,425.00	14,590.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	199,392,219.69	107,491,727.39
M04 - Investments in physical assets (art 17)	Total public expenditure €	199,392,219.69	107,491,727.39

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	2,160.00	2,498.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	13,517,644.44	17,735,040.36
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	147.00	50.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	491,800.00	40,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	0	0
M08 - Investments in forest area development and improvement of the viability of forests	Total public expenditure (€) (8.6)	0	0

(art 21-26)			
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	688,000.00	635,399.00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	0	0
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	286,311,139.54	230,550,435.74
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	48,000.00	11,153.00
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	72,000.00	57,287.00
M11 - Organic farming (art 29)	Total public expenditure (€)	51,764,704.66	26,474,317,.45
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	9,919,999.42	9,467,689.51

Forest

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	105.00	97.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	45,000.00	40,986.18
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	480,000.00	553,933.19

M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	70.00	840.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	127,245.00	1,528,818.22
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	305,883.00	325,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	1,458,823.00	1,674,174.38
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of beneficiaries for preventive actions (8.3)	0.25	0.25
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	17,730,717.00	5,132,742.66

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,745.00	403.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	32,850.00	9,445.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0	0.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	700.00	700.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	352,941.86	375,000.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0	0
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	5,421,175.00	4,294,443.08

1.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	49.11	39.00
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	699,227.00	551,816.38

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	1,423,910.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	9.00	2.81
Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)	27,550.00	8,600.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	306.00

1.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	49.06	14.00
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	698,540.00	196,947.94

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	1,423,910.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	0.85	0.19
Forestry land under management contracts to improve water management (ha) (focus area 4B)	2,600.00	575.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	306.00

*1.1.4.3. 4C) Preventing soil erosion and improving soil management***Agriculture**

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	8.47	5.00
Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	120,540.00	70,988.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	1,423,910.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1.11	0.32
Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	3,400.00	970.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	306.00

1.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

1.1.5.1. 5A) Increasing efficiency in water use by agriculture

No measures have been selected in the strategy for this focus area.

1.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T15: Total investment for energy efficiency (€) (focus area 5B)	19,911,765.00	20,625,000.27

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	64.00	194.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	28,000.00	81,972.35
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	300,000.00	1,107,866.39
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	98.00	66.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	252,883.72	238,030.36

M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (in agricultural holdings, in processing and marketing of ag. products) (4.1, 4.2 and 4.3)	286.00	45.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	19,911,765.00	20,625,000.27
M04 - Investments in physical assets (art 17)	Total public expenditure €	7,964,706.00	8,250,000.11
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	6,094,116.28	224,632.53

1.1.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T16: Total investment in renewable energy production (€) (focus area 5C)	50,401,543.92	43,862,327.67

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	68.00	194.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	32,000.00	81,972.35
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	348,000.00	1,107,866.39

M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	98.00	52.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	199,941.86	187,539.07
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.2 and 4.3)	187.00	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	4,675,000.00	0
M04 - Investments in physical assets (art 17)	Total public expenditure €	1,870,000.00	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving (7.2)	197.00	197.00
M07 - Basic services and village renewal in rural areas (art 20)	Total investment € (public + private)	23,028,577.67	23,028,577.67
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	19,190,481.39	19,190,481.39
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0	0

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	44,125.00	10,631.38
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	9,635,409.89	8,333,500.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	250.00	100.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total investment € (public + private) (8.6)	22,697,966.25	20,833,750.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	14,447,062.79	1,092,279.53

1.1.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0	0
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0	0
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	14.03	4.20
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	199,766.00	59,807.08

Context Indicator used as denominator for the target

Context Indicator name	Base year value
21 Livestock units - total	1,734,000.00
18 Agricultural Area - total UAA	1,423,910.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	884.00	194.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	104,000.00	81,972.35
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	4,368,000.00	1,107,866.39

M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	1,120.00	865.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	1,785,881.40	2,276,310.79
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	143.00	5,285.00
M04 - Investments in physical assets (art 17)	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	0	0.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	9,955,882.00	10,925,306.56
M04 - Investments in physical assets (art 17)	Total public expenditure €	3,982,353.00	4,217,649.53
M10 - Agri-environment-climate (art 28)	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	199,766.00	59,807.00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	21,084,883.72	11,761,246.63
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	6,094,118.60	224,632.53

1.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0.13	0.23
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	2,172.00	3,904.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	1,423,910.00
29 Forest and other wooded land (FOWL) (000) - total	306.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	84.00	194.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	38,000.00	81,972.35
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	384,000.00	1,107,866.39
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	84.00	770.00

M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	231,881.39	1,340,519.39
M04 - Investments in physical assets (art 17)	Nr of operations of support for non productive investment (4.4)	5,090.00	4,900.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	4,224,265.00	363,980.10
M04 - Investments in physical assets (art 17)	Total public expenditure €	1,536,765.11	363,980.10
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	1,440.00	832.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	9,011,765.00	7,404,656.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	147.00	50.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	508,200.00	40,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	917,646.00	975,000.00
M08 - Investments in	Total public	4,376,471.00	5,022,523.15

forest area development and improvement of the viability of forests (art 21-26)	expenditure (€) (8.4)		
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	11,705,162.18	3,230,162.45
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,850.00	393.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0	0
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate for carbon sequestration	585.00	3,022.00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	2,635,611.63	1,061,224.66
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	6,447,058.14	577,572.53

1.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

1.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
T20: Jobs created in supported projects (focus area 6A)	142.00	765.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	336.00	133.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	512,000.00	408,388.55
M04 - Investments in physical assets (art 17)	Nr of beneficiaries of support for investment (in processing and marketing of ag. Products) (4.2)	0	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	2,500,000.00	0
M04 - Investments in physical assets (art 17)	Total public expenditure €	1,000,000.00	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agri activities in rural areas (6.2 and 6.4)	140.00	420.00

M06 - Farm and business development (art 19)	Total investment € (public + private)	32,352,940.00	53,822,012.30
M06 - Farm and business development (art 19)	Total public expenditure €	17,647,060.47	24,385,948.12
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	706,000.00	127,576.61
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	1,994,590.69	1,666,500.00

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	44.00	20.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total investment € (public + private) (8.6)	4,655,989.23	4,166,250.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	705,881.40	367,647.00

1.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
Net population benefiting from improved services	1,381,745.00	1,381,745.00
T21: percentage of rural population covered by local development strategies (focus area 6B)	45.53	45.53
Rural population covered by local development strategies (focus area 6B)	1,381,745.00	1,381,745.00
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	45.53	45.53
T23: Jobs created in supported projects (Leader) (focus area 6B)	100.00	100.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	3,034,975.00
1 Population - intermediate	0.00
1 Population - total	3,034,975.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for drawing up of village development and N2000/HNV area management plans (7.1)	100.00	100.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving (7.2)	56.00	56.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in local basic services for the rural population (7.4)	168.00	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in recreational/tourist infrastructure (7.5)	100.00	150.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for studies/investments in rural cultural and natural heritage, incl HNV sites (7.6)	80.00	80.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in relocation of activities for environmental/quality of life reasons (7.7)	50.00	50.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations Others (7.8)	0	0

M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	1,381,745.00	1,381,745.00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	46,455,813.95	51,455,817.73
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	8,823,530.23	64,476,606.75
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Number of LAGs selected	18.00	18.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Population covered by LAG	1,381,745.00	1,381,745.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparatory support (19.1)	100,000.00	55,680.00
M19 - Support for LEADER local development (CLLD – community-led	Total public expenditure (€) - support for implementation of operations under the	37,958,347.19	41,457,514.04

local development) (art 35 Regulation (EU) No 1303/2013)	CLLD strategy (19.2)		
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)	4,000,000.00	4,155,205.88
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for running costs and animation (19.4)	14,019,448.00	13,878,076.47

1.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Target indicator(s) 2014-2020

Target indicator name	Old Target value 2023	New Target value 2023
Net population benefiting from improved services	500,000.00	500,000.00
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	16.47	16.47

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	3,034,975.00
1 Population - intermediate	0.00
1 Population - total	3,034,975.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Old Value	New Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nr of participants in trainings	400.00	97.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	50,400.00	40,986.18
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	504,000.00	553,933.19
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in broadband infrastructure and access to broadband, incl. e-government services (7.3)	49.00	49.00
M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	500,000.00	500,000.00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	4,000,000.00	3,103,704.66

1.2. Overview of the planned output and planned expenditure by measure and by focus area – revised indicator plan values only

			2014-2020														Total		
			P2		P3		P4			P5					P6				
			2a	2b	3a	3b	4a	4b	4c	5a	5b	5c	5d	5e	6a	6b		6c	
1 (14)	Training/skills acquisition (1.1)	Nr of participants in trainings	7,484	0	986	0	875			0	194		194	194	194	0	0	97	10,220
		Total public for training/skills	€ 3,155,935.48	€ 0.00	€ 27,303,121.92	€ 0.00	€ 368,875.58			€ 0.00	€ 81,972.35		€ 81,972.35	€ 81,972.35	€ 81,972.35	€ 0.00	€ 0.00	€ 40,986.18	€ 31,196,808.54
	Total public expenditure (€) (trainings, farm exchanges, demonstration) (1.1 to 1.3)		€ 42,652,855.84	€ 0.00	€ 29,867,857.00	€ 0.00	€ 4,985,398.73			€ 0.00	€ 1,107,866.39		€ 1,107,866.39	€ 1,107,866.39	€ 1,107,866.39	€ 0.00	€ 0.00	€ 553,933.19	€ 82,491,510.32
2 (15)	Nr of beneficiaries advised (2.1)		2,760	0	240	0	4,026			0	66		52	865	770	133	0	0	8,912
	Total public expenditure € (2.1 to 2.3)		€ 8,452,241.77	€ 0.00	€ 865,564.95	€ 0.00	€ 6,536,482.96			€ 0.00	€ 238,030.36		€ 187,539.07	€ 2,276,310.79	€ 1,340,519.39	€ 480,388.55	€ 0.00	€ 0.00	€ 20,377,077.84
4 (17)	Total investment € (public + private)		€ 175,312,502.25	€ 0.00	€ 117,000,000.00	€ 0.00	€ 107,491,727.39			€ 0.00	€ 20,625,000.27		€ 0.00	€ 10,925,306.56	€ 363,980.10	€ 0.00	€ 0.00	€ 0.00	€ 431,718,516.57
	Total public expenditure (€)		€ 70,125,000.90	€ 0.00	€ 44,750,000.00	€ 0.00	€ 107,491,727.39			€ 0.00	€ 8,250,000.11		€ 0.00	€ 4,217,649.53	€ 363,980.10	€ 0.00	€ 0.00	€ 0.00	€ 235,198,358.03
6 (19)	Total investment € (public + private)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 0.00	€ 53,822,012.30	€ 0.00	€ 0.00	€ 53,822,012.30
	Total public expenditure (€)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 0.00	€ 24,385,948.12	€ 0.00	€ 0.00	€ 24,385,948.12
7 (20)	Nr of operations		0	0	0	0	0			0	0		197	0	0	0	436	49	682
	Total public expenditure (€)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00			€ 0.00	€ 19,190,481.39		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 51,455,817.73	€ 3,103,704.66	€ 73,750,003.78
8 (21)	Total public expenditure (€) (8.1)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 17,735,040.36			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 7,404,656.00	€ 0.00	€ 0.00	€ 0.00	€ 25,139,696.36
	Total public expenditure (€) (8.2)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 40,000.00			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 40,000.00	€ 0.00	€ 0.00	€ 0.00	€ 80,000.00
	Total public expenditure (€) (8.3)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 325,000.00			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 975,000.00	€ 0.00	€ 0.00	€ 0.00	€ 1,300,000.00
	Total public expenditure (€) (8.4)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 1,674,174.38			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 5,022,523.15	€ 0.00	€ 0.00	€ 0.00	€ 6,696,697.53
	Total public expenditure (€) (8.5)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 5,132,742.66			€ 0.00	€ 0.00		€ 10,631.38	€ 0.00	€ 3,230,162.45	€ 127,576.61	€ 0.00	€ 0.00	€ 8,501,113.10
	Total public expenditure (€) (8.6)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00			€ 0.00	€ 0.00		€ 8,333,500.00	€ 0.00	€ 0.00	€ 1,666,500.00	€ 0.00	€ 0.00	€ 10,000,000.00
10 (28)	Area (ha) under agri-environment-climate (10.1)		0	0	0	0	635,399			0	0		0	59,807	3,022	0	0	0	698,228
	Total public expenditure (€) (10.1 + 10.2))		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 230,550,435.74			€ 0.00	€ 0.00		€ 0.00	€ 11,761,246.63	€ 1,061,224.66	€ 0.00	€ 0.00	€ 0.00	€ 243,372,907.03
11 (29)	Area (ha)	conversion (11.1)	0	0	0	0	11,153			0	0		0	0	0	0	0	0	11,153
		maintenance (11.2)	0	0	0	0	57,287			0	0		0	0	0	0	0	57,287	
	Total public expenditure (€)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 26,474,317.45			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 26,474,317.45
15(34)	Area (ha) (15.1)		0	0	0	0	700			0	0		0	0	0	0	0	0	700
	Total public expenditure (€) (15.1 to 15.2)		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 375,000.00			€ 0.00	€ 0.00		€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 375,000.00
16 (35)	Nr of farms participating in cooperation/local promotion among supply chain actors				50														50
	Nr of EIP operational group																		45
	Nr of non EIP cooperation operations																		912
	Total public expenditure (€)		€ 452,939.76	€ 0.00	€ 33,165,810.53	€ 0.00	€ 13,762,132.59			€ 0.00	€ 224,632.53		€ 1,092,279.53	€ 224,632.53	€ 577,572.53	€ 367,647.00	€ 64,476,606.75	€ 0.00	€ 114,344,253.75
19 (42-44)	Number of LAGs selected																18		18
	Population covered by LAG																1,381,745		1,381,745
	Total public expenditure (€)	Preparatory support (19.1)															€ 55,680.00		€ 55,680.00
		support for implementation of operations under the CLLD strategy (19.2)															€ 41,457,514.04		€ 41,457,514.04
		preparation and implementation of cooperation activities of the local action group (19.3)															€ 4,155,205.88		€ 4,155,205.88
		support for running costs and animation (19.4)															€ 13,878,076.47		€ 13,878,076.47

1.3. Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

ec	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
2A	M01 - Knowledge transfer and information actions (art 14)	X		X	P		X		X	X	X		X	X	X	X			X
	M02 - Advisory services, farm management and farm relief services (art 15)	X			P		X		X	X	X		X	X	X	X	X		
	M04 - Investments in physical assets (art 17)				P														
	M16 - Co-operation (art 35)	X	X		P		X		X	X	X		X	X	X	X	X	X	
2B	M01 - Knowledge transfer and information actions (art 14)	X		X	X			X	X	X	X		X	X	X	X			X
	M02 - Advisory services, farm management and farm relief services (art 15)	X			X		X		X	X	X		X	X	X	X	X		
	M06 - Farm and business development (art 19)																		
3A	M01 - Knowledge transfer and information actions (art 14)	X		X	X		P		X	X	X		X	X	X	X			X
	M02 - Advisory services, farm management and farm relief services (art 15)	X			X		P		X	X	X		X	X	X	X	X		
	M04 - Investments in physical assets (art 17)						P												
	M16 - Co-operation (art 35)	X	X		X		P		X	X	X		X	X	X	X	X	X	
5B	M01 - Knowledge transfer and information actions (art 14)	X		X	X		X		X	X	X		P	X	X	X			X
	M02 - Advisory services, farm management and farm relief services (art 15)	X			X		X		X	X	X		P	X	X	X	X		
	M04 - Investments in physical assets (art 17)												P						

	M16 - Co-operation (art 35)	X	X		X		X		X	X	X		P	X	X	X	X	X	
5C	M01 - Knowledge transfer and information actions (art 14)	X		X	X		X		X	X	X		X	P	X	X			X
	M02 - Advisory services, farm management and farm relief services (art 15)	X			X		X		X	X	X		X	P	X	X	X		

1.4. Support table to show how environmental measure/schemes are programmed to achieve one (or more) environment/climate targets

1.4.1. Agricultural Land

1.4.1.1. M10 - Agri-environment-climate (art 28)

Type of operation or group of type of operation	AECM typology	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Bio diversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration / conservation FA 5E
Peatland and Wetland Management	Reduction of drainage, management of wetlands	1,799,370.00 (was 3,082,485.00)	1,080.00 (was 85,465.00)	X	X			X
Buffer Zones and Field Margins	Creation, upkeep of ecological features (e.g. field	88,401,047.00 (was 54,648,249.00)	91,780.00 (was 229,501.00)	X	X		X	X

	margins, buffer areas, flower strips, hedgerow s, trees)							
Habitat and Arable Land Managem ent	Maintenan ce of HNV arable and grassland systems (e.g. mowing technique s, hand labour, leaving of winter stubbles in arable areas), introductio n of extensive grazing practices, conversio n of arable	226,318,457.99 (was252,330,87 2.00)	633,240.00 (was 573,400.00)	X	X			

	land to grassland.							
--	-----------------------	--	--	--	--	--	--	--

1.4.1.2. M11 - Organic farming (art 29)

Sub measure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Bio diversity FA 4A	Water managemen t FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/c onservation FA 5E
11.1 - payment to convert to organic farming practices and methods	9,530,754.00 (was 25,882,353.00)	11,153.00 (was 48,000.00)	X	X	X		
11.2 - payment to maintain organic farming practices and methods	16,943,563.00 (was 25,882,353.00)	57,287.00 (was 72,000.00)	X	X	X		

1.4.1.3. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Sub measure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
12.1 - compensation payment for Natura 2000 agricultural areas	0	0					
12.3 - compensation payment for agricultural areas included in river basin management plans	0	0					

1.4.1.4. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Sub measure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Bio diversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
8.1 - support for afforestation/creation of woodland	20,740,764.33 (was 22,529,412.00)	3,330.00 (was 3,600.00)	X	X	X		X
8.2 - support for establishment and maintenance of agro-forestry systems	80,000.00 (was 1,000,000.00)	100.00 (was 294.00)	X				X

**WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN
STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:
Amendment to Selection Criteria: Welsh Government Rural
Communities - Rural Development Programme 2014-2020**

Issue

1. The paper “WPMC(15)56 Selection Criteria – European Agricultural Fund for Rural Development (EAFRD) 2014 -2020” was presented to Members at the 11th September 2015 meeting of the Wales Programme Monitoring Committee. Annex 1 to WPMC(15)56 set out the Selection Criteria to be used by Schemes under the Welsh Government Rural Communities - Rural Development Programme 2014-2020. These were then amended for some schemes at the February 2016 meeting as described in papers WPMC(16)73 and WPMC(16)73 Annex 1.
2. As explained in WPMC(15)56 the Welsh Government as Managing Authority can amend these selection criteria or introduce new selection criteria within the programming period according to programming needs, following consultation with the Wales Programme Monitoring Committee.
3. The Welsh Government is proposing to alter the selection criteria for several schemes (see Annex 1) and seeks the opinion of the Members regarding these changes.

Recommendation

4. The Welsh Government is consulting the Members on the changes proposed to the selection criteria as described in Annex 1.

Background

5. Annex 1 presents amendments to the selection criteria to be used for the Co-operation Measure. Also for the Sustainable Management Scheme and the Sustainable Production Grant Scheme, these schemes have already opened. These alterations are shown in red for ease.

Next Steps

6. The Welsh Government welcomes the views of Members on the changes proposed.

Agriculture, Food and Marine

Lead: Gail Merriman

Approved by: Mrs Terri Thomas

Date: 26/8/16

Section 1: New Schemes

Measure 16.1 – European Innovation Partnership

Thumbnail sketch:

European Innovation Partnership for Agricultural Productivity and Sustainability (EIP)

It is proposed that Wales embraces the opportunities offered by the EIP, which through addressing issues of poor coordination, and overcoming disadvantages of fragmentation, will improve innovative practices on the ground.

The Welsh Government will lead the establishment of “EIP Wales” facilitating and supporting the establishment of appropriate Operational Groups. Topics to be covered may include for instance: technical solutions to increasing productivity or resource efficiency, maximising sustainable use of ecosystem services, soil functionality and water management, integrated supply chain solutions, benchmarking and managerial innovation for producers, or development of new food quality and livestock health care schemes.

Selection Criteria and Scoring at Application Stage:

To ensure consistency of approach with the rest of the socio-economic schemes the 9 ESI criteria are to be used rather than the 7 criteria originally stated. The 7 criteria originally mentioned are all contained within the 9 ESI Criteria so the issues covered will still be considered.

The 9 ESI Criteria are:

- Strategic Fit
- Delivery
- Financial & Compliance
- Management of Operation
- Indicators & Outcomes
- Value for Money
- Long Term Sustainability
- Cross Cutting Themes
- Suitability of Investment

The scoring matrix for the 9 Selection Criteria is: High / Medium / Low / Minimal.

The threshold is to be a rating of **High** for Strategic Fit, Value for Money and Project Management and **Medium** across the remaining 6 categories.

Measure 16.8: Strategic Forest Planning

Thumbnail sketch:

It is intended that the outcome of this scheme will be strategic plans that will enable woodland management and creation by identifying and dealing with barriers and addressing issues at a strategic level. This co-operative forest planning scheme will be run as a standalone investment grant.

Forest Management Plans are important in delivering the EU Biodiversity strategy to 2020, which calls on Member States to implement Forest Management Plans or equivalent instruments through their RDP.

Forest Management plans will be in line with the principles of sustainable forest management set out in the Forests Europe initiative and in the EU Forestry Strategy. In Wales, all plans will be assessed by Welsh Government to determine that they are in line with the UK Forestry Standard which translates the Forests Europe and the EU Forestry strategy into a UK context. This operation will support the creation of Woodland Establishment and the creation of Woodland Management Plans

Forest management planning in accordance with the forests Europe principles and criteria requires involvement of stakeholders in the planning process and the standard costs will cover the inclusion of stakeholders in the planning process. They may be considered as beneficiaries in certain cases or may be reimbursed indirectly for their contribution to forest plans through the payment made to the forest holder.

Selection Criteria and Scoring at Expression of Interest (EOI) Stage:

The minimum quality threshold is a score of **15**. A score of **0** in any of the criteria will prevent the EOI from progressing any further.

	Selection Criteria	Score
1	The bid must explain how the proposal contributes to woodland creation (in line with opportunities map), or bringing more woodland into good management	0-5
2	The proposal must clearly explain how the bid will apply the principles of Sustainable Management of Natural Resources (SMNR) in the development and implementation of their proposal, and how they will comply with the UK Forestry Standard and guidelines as they apply to forest standards.	0-5
3	The bid must clearly show how the proposal will build on and complement existing work including work proposed in other RC-RDP schemes	0-5
4	The bidder <u>must have participated in a pre-application event</u> organised by the managing authority	0-5
5	The bid must be <u>strategic in scope</u>, demonstrating that it will encompass opportunities at a Wales wide level	0-5

Section 2: Amendments to Existing Schemes

Measure 4.1: The Sustainable Production Grant Scheme

Thumbnail sketch:

The Sustainable Management Scheme aims to support collaborative landscape-scale projects delivering action that improves our natural resources in a way that delivers benefits to farm and rural businesses and rural communities. It will also support and facilitate co-ordination with other schemes to undertake the vital action needed to improve the resilience of farm and rural businesses and rural communities to the climate impacts through support for projects that directly reduce greenhouse gas emissions from land management and farm business activities.

Selection Criteria and Scoring at Expression of Interest (EOI) Stage

Current version:

Total possible Score: 105. The minimum quality threshold is a score of **25**.

	Selection Criteria	Score	Weighting factor
1	Increased financial resilience	0-5	x 5
2	Animal or Plant Health and Welfare	0-5	x 4
3	Emissions Reduction	0-5	x 3
4	Nutrient Efficiency	0-5	x 3
5	Energy Efficiency	0-5	x 3
6	Water efficiency	0-5	x 3

Proposed replacement version:

Amendments shown in red.

Total possible Score: **100**. The minimum quality threshold is a score of **25**.

	Selection Criteria	Score	Weighting factor
1	Increased financial resilience	0-5	x 5
2	Animal or Plant Health and Welfare	0-5	x 4
4	Nutrient Efficiency and Water Quality	0-5	x 3
5	Energy Efficiency	0-5	x 3

6	Water efficiency	0-5	x 2
3	Emissions Reduction	0-5	x 3

Explanation of changes

- Although closely linked to the “Nutrient Efficiency” criteria in Round 2, it was felt that “Water Quality” needed a higher profile in the scheme and should be referred to specifically. Therefore the “Nutrient Efficiency” title is changed to “Nutrient Efficiency and Water Quality”; x3 weighting is retained.
- The “Water Efficiency” criterion was considered to have contributed disproportionately to the overall benefits that EOI projects would deliver. Hence, its weighting is changed from x3 to x2.
- As Emissions Reduction (in particular greenhouse gases) is, to a large extent, bound up with and embedded in actions delivered under the other five criteria, it has been moved to the final criterion in the form – this provides the applicant with an opportunity to a) add in any further actions that would address emissions, b) provide an evaluation of actions/investments in terms of “win-win” business and emissions benefits, c) explain the farm’s situation with regard to the possibility of implementing anaerobic digestion for slurry/manure (see below also), d) highlight benefits to cutting ammonia emissions.
- Under the “Animal Health and Welfare and Plant Health” criteria, it is now made explicit that Plant Health applies only to horticulture enterprises. This now directly addresses the Plant Health policy agenda in terms of controlling exotic diseases, while crop (as opposed to “plant”) health from a production viewpoint will be covered by criteria 1 and 3 (“Financial Resilience” and “Nutrient Efficiency and Water Quality”).
- Section 4 “Management of slurry and manure” from the Round 2 EOI Criteria and Application form has been deleted. It is now recognised that anaerobic digestion of all slurry/manure is not a realistic measure and that emphasis should be placed on a range of other actions that can deliver business and environmental benefits (hence, to a certain extent, the addition of “Water Quality” – see above).

Selection Criteria and Scoring at Application Stage

No change, the 9 ESI criteria are to be used:

- Strategic Fit
- Delivery
- Financial & Compliance
- Management of Operation
- Indicators & Outcomes
- Value for Money
- Long Term Sustainability
- Cross Cutting Themes
- Suitability of Investment

The scoring matrix for the 9 Selection Criteria is: High / Medium / Low / Minimal. The threshold is to be at least 9 Lows.

Measure 16.5: The Sustainable Management Scheme

Thumbnail sketch: The Sustainable Management Scheme aims to support collaborative landscape-scale projects delivering action that improves our natural resources in a way that delivers benefits to farm and rural businesses and rural communities. It will also support and facilitate co-ordination with other schemes to undertake the vital action needed to improve the resilience of farm and rural businesses and rural communities to the climate impacts through support for projects that directly reduce greenhouse gas emissions from land management and farm business activities.

Selection Criteria and Scoring at Expression of Interest (EOI) Stage:

Current version:

The minimum quality threshold is a score of **20**.

An EOI proposal will be scored where a score of 5 is the highest and a score of 0 is the lowest with three increments in between.

A 0 score in criteria 1-3 will prevent the EOI from progressing.

	Selection Criteria	Score	Weighting Factor
1	Action to tackle one or more of the emerging national priorities from the Natural Resources Policy Statement 2015	0-5	x 3
2	Application of the principles of sustainable management of natural resources	0-5	x 4
3	Action to tackle Local area challenges and take forward opportunities	0-5	x 3
4	Ensuring good governance, project management & clearly identified outcomes	0-5	x 2
5	Clear and appropriate monitoring and evaluation plans.	0-5	x 2

Proposed replacement version:

Amendments shown in red.

The minimum quality threshold is a score of **20**.

An EOI proposal will be scored where a score of 4 is the highest and a score of 0 is the lowest with three increments in between.

A 0 score in criteria 1-3 will prevent the EOI from progressing.

	Selection Criteria	Score	Weighting Factor
1	Action to tackle one or more of the emerging national priorities from the Natural Resources Policy Statement 2015	0-4	x 3
2	Application of the principles of sustainable management of natural resources	0-4	x 4
3	Action to tackle Local area challenges and take forward opportunities	0-4	x 3
4	Ensuring good governance, project management & clearly identified outcomes	0-4	x 2
5	Clear and appropriate monitoring and evaluation plans.	0-4	x 2

Explanation of changes

The Welsh Government proposes to make an alteration to the scoring range as a result of lessons learned from the first window. The range previously was 0-5 with 5 being the highest. This range will be changed to 0-4 with 4 being the highest. The change will enable a more accurate allocation of marks and as a result a better spread of cumulative results.

**WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN
STRUCTURAL AND INVESTMENT (ESI) FUNDS 2014 – 2020:****IMPLEMENTATION OF THE CROSS CUTTING THEME: EQUAL
OPPORTUNITIES AND GENDER MAINSTREAMING****Issue**

1. This paper provides the first annual review of progress of the implementation of the Equal Opportunities and Gender Mainstreaming cross-cutting theme in the ERDF and ESF European Structural and Investment (ESI) funds 2014 – 2020.

Recommendation

2. Members are invited to note the content of the report and to provide comments accordingly.

Background

3. Equal Opportunities and Gender mainstreaming (EO&GM) is one of three cross-cutting themes (CCTs) integrated into the 2014-2020 Programmes. The General Regulations governing the European Programmes stipulate that all operations funded through the Common Strategic Framework, must integrate Article 7 - Promotion of equality between men and women and non-discrimination. The Regulation states that equality between men and women and the integration of gender perspective are to be taken into account and promoted throughout the preparation and implementation of programmes, including in relation to monitoring, reporting and evaluation. The Regulation also calls for appropriate steps to be taken to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.
4. In order to fulfil the vision of a truly bilingual nation, the Welsh Government has made a commitment in 'A living language: a language for living', the National Action Plan for a Bilingual Wales and in its Welsh Language Scheme to mainstream the Welsh language across policy areas. The implementation of the ESI Programmes will reflect this commitment, supporting efforts to grow the Welsh language within the context of economic growth and job creation.

Vertical and Horizontal Integration

5. The model used to build equal opportunities and gender mainstreaming into the programmes embraces both vertical and horizontal measures. Vertical measures provide an opportunity to tackle particular issues related to equal opportunities, for example; ensuring people with protected characteristics can benefit from the programmes; while horizontal measures raise the profile and encourage a learning process in relation to equal opportunities across a diverse range of organisations and activities.

Support for people with protected characteristics.

6. The European Social Fund (ESF) has had a significant positive impact in supporting some key groups with protected characteristics in Wales. The 2007-2013 programmes resulted in over 649,300 people receiving support: 46% of whom were women, with around 48% of women gaining a qualification. Additionally, 5% of participants were from a Black and minority ethnic (BME) background and 11% of participants identified themselves as disabled. Of those participants gaining qualifications, 3.4% were from a BME background and 8% were disabled (data July 2016).
7. The 2014-2020 ESF programmes provide for the continued funding of proposals which support key groups with protected characteristics in Wales and in particular aim to build on the success of the previous funding round. Examples include:
8. **Gender:** Chwarae Teg's *Agile Nation 2* project will deliver skills support and mentoring for women in employment, as well as working with employers to promote diversity and tackle gender disadvantage in the workforce. The project will support over 2,000 participants, 75% of which are expected to gain a qualification and 40% to experience an improved labour market situation. The project will also support 400 small and medium sized enterprises in making improvements to their equality and diversity strategies: recognising the value of recruitment, retention and development of staff to both the businesses and the individuals alike. The total cost of the project is approximately £10 million over three years.
9. **Black and Minority Ethnic people:** Building on the success of the 'Increasing *BME Employment and Tackling BME Economic Inactivity*' project in the 2007- 2013 programmes, SOVA has successfully secured £951,600 from the 2014-2020 ESF (WW&V) Programme to support the *Achieving Change through Employment (ACE)* project, which commenced in April 2016. With a total cost of £1.2m, the project aims to support BME and migrant individuals gain sustainable employment through the delivery of training and employment support.

10. **Disabled People:** *Active Inclusion Wales*, led by the WCVA, aims to reduce the number of economically inactive and long term unemployed people aged 25 and over across Wales. The activity is targeted at groups with work limiting health conditions or disabilities and those aged over 54 years. The projects (WW&V and EW) have a total cost of £22.5m of which £14.5m is ESF funding. Activity commenced in May 2015 and is due to end in August 2018.
11. **Inspire 2 Achieve** is a project led by Blaenau Gwent County Borough Council. It aims to support 10,952 young people aged 11-24, with Additional Learning Needs, reintegrate into mainstream education provision or alternative curriculum models. The project approved in March 2016, has a total project cost of £28.1m, of which £18m is ESF funding.
12. **Young people** - Significant support has been directed towards young people through the ESF programmes. As of July 2016, 134,031 young people had been supported by the programmes: 46% were female, 5% from a Black minority ethnic background and 8% disabled. Of the participants, 25,143 young people gained a qualification, of which: 43% were female, 4% from a Black minority ethnic background and 10% were disabled. The figure for those gaining a qualification seems low but it should be noted that the main aim of the funding is not to fund qualifications through this activity but to enable young people to stay in formal learning and engage with mainstream qualifications which are not counted here.
13. Good progress has therefore already been made in developing projects through the 2014-2020 ESF programmes, supporting the reduction of young people who are, or may become NEET. These vertical interventions will be targeted around the needs of the individual and include for example work experience, employability skills support, training and qualifications, development of STEM skills and health and wellbeing support including substance misuse and mental health issues. There are, to-date, 18 approved projects across ESF Priority 3 Youth Employment and Attainment, 11 in West Wales and the Valleys with a total cost of £165m (£96m ESF support) and 7 in East Wales with a total cost of £80m (£25m ESF support) (Figures at end July 2016)

Projects contributing to the formal Equal Opportunities CCT indicator

14. It is too early in the lifecycle of the programmes to report any meaningful data relating to the progress of delivery of this indicator **‘number of enterprises adopting or improving their equality strategies including monitoring system’**. The information shown in **Annex 1** does however act as useful guide to the number of operations which will be delivering activity to support the indicator.

The Cross Cutting Theme Project Level Indicators

15. The inclusion of a formal target for equal opportunities is an important driver to encourage projects to address this CCT. It also enables the monitoring of progress to take place systematically over the life of the programme.
16. However, as evidence gathered through the most recent Cross Cutting Theme Evaluation demonstrated, a formal target has limitations when it comes to validating the wide range of related activity which is being undertaken. In response to the evaluation findings, additional project level CCT indicators have therefore been identified, (agreed at the June 2015 PMC) which enable WEFO to capture this broader range of activity. These sit alongside the formal CCT indicator and are extracted from the narrative of the Business Plans submitted by ESI Funded operations. This ensures that there is no additional work for the operation when completing their applications but does provide for good practice to be identified and reported.
17. The information contained in **Annex 2**, gives an indication of the kind of activity which is being delivered along with a full list of the CCT project level indicators.

Welsh Language

18. Applications for funding are expected to follow the terms of the Welsh Language Commissioner's document 'Grants, Loans and Sponsorship', which is included as part of the WEFO guidance to project applicants. Project proposals are assessed to ensure they have taken up the opportunities available to support Welsh Language speakers and costs to comply with Welsh Language requirements are included in the financial projections.
19. Part of the process for Welsh Government Departments, when framing proposals for European funding, is to demonstrate how the activity will support the promotion of the Welsh language and support speakers of the language. A partnership approach has been developed between the Cross Cutting Themes Team within WEFO and Senior Policy Officers from the Welsh Language Division with responsibility for Welsh language promotion and integration across Welsh Government Departments. Information is shared between the two Departments allowing for a more consistent level of support and monitoring to be achieved.
20. WEFO has been engaged with the Welsh Language Commissioner's Office during the preparation of the 2014-2020 Structural Funds Programmes and WEFO officials have regular progress meetings with the Commissioner's office to ensure that the Commissioner is sighted

on the proactive steps being taken to comply with current regulatory requirements.

Well Being of Future Generations (Wales) Act

21. WEFO, through the Cross Cutting Themes Team, has actively engaged with the development of the Well Being of Future Generations Act and the formal CCT assessment carried out for each funding application submitted to WEFO provides an opportunity to enhance activity in line with the Act's principles. The Team has delivered a series of workshops, across Wales, for WEFO colleagues to introduce the Act and the opportunities for WEFO to contribute through the implementation of the Structural Fund Programmes.

Next Steps

22. Future reports will highlight the progress on formal CCT indicators and additional project level activity.

Drafted by: Chriss O'Connell WEFO

Approved by: Rob Halford WEFO

Date: 01/08/2016

Annex 1

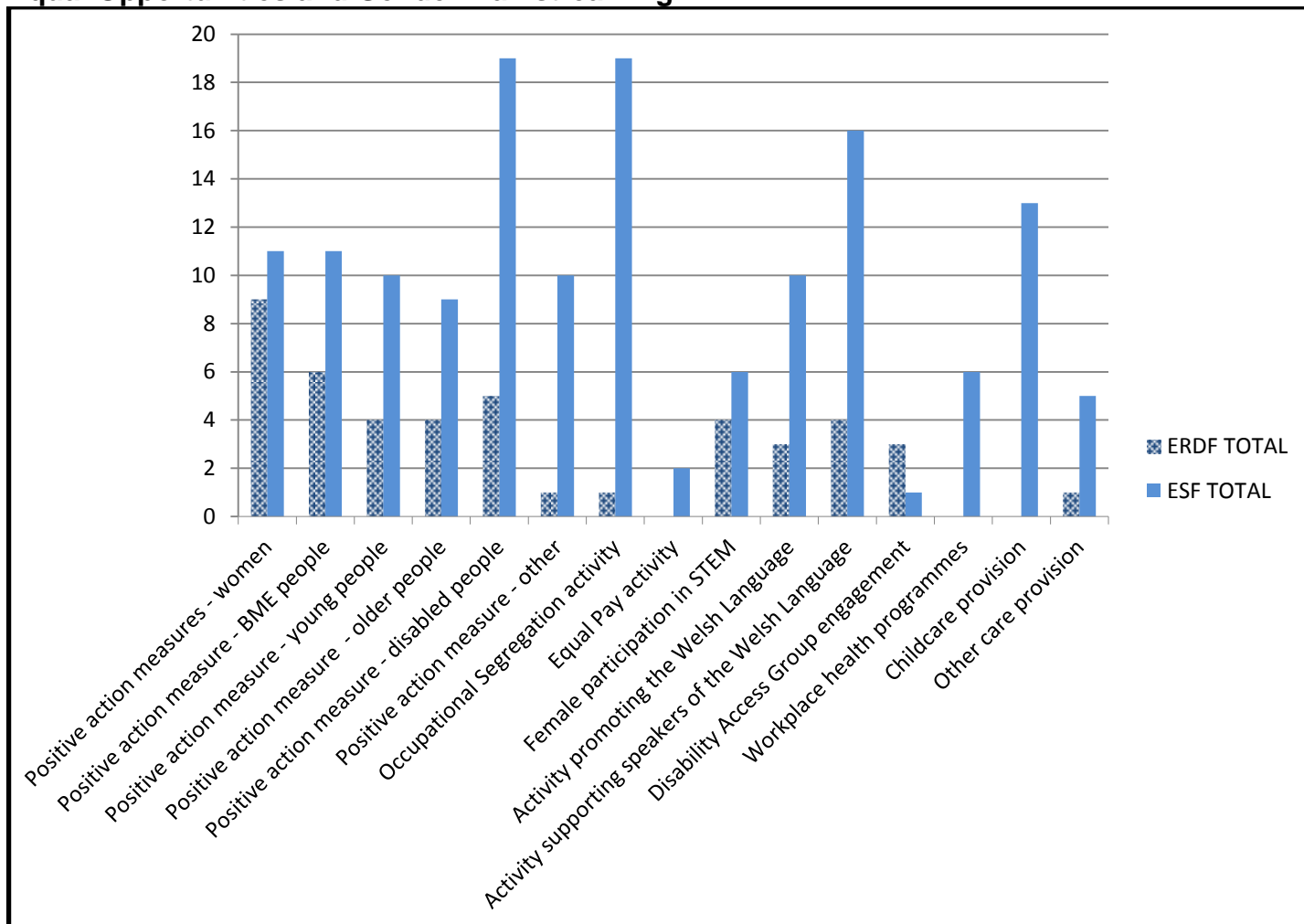
Projects contributing to the formal Equal Opportunities CCT indicator ‘number of enterprises adopting or improving their equality strategies including monitoring system’.

Operation Title	Lead Beneficiary	Programme	Priority	Specific Objective
Smart Innovation (under discussion as a priority gateway for this indicator)	WG - Department for Economy, Science and Transport	East Wales ERDF	1	SO1.2
Entrepreneurship Support - Business Wales (East Wales)	WG - Department for Economy, Science and Transport	East Wales ERDF	2	SO2.2
SME Support - Business Wales (East Wales)	WG - Department for Economy, Science and Transport	East Wales ERDF	2	SO2.4
Social Business Wales East Wales	Wales Co operative Centre	East Wales ERDF	2	SO2.4
Smart Innovation (under discussion as a priority gateway for this indicator)	WG - Department for Economy, Science and Transport	West Wales and the Valleys ERDF	1	SO1.2
Entrepreneurship Support - Business Wales (West Wales)	WG - Department for Economy, Science and Transport	West Wales and the Valleys ERDF	2	SO2.2
SME Support - Business Wales (West Wales and The Valleys)	WG - Department for Economy, Science and Transport	West Wales and the Valleys ERDF	2	SO2.4
Social Business Wales West Wales and the Valleys	Wales Co operative Centre	West Wales and the Valleys ERDF	2	SO2.4
Together for a Healthy Working Wales (In-Work Service)	WG - Department for Health and Social Services	West Wales and the Valleys ESF	1	SO1.3
Agile Nation 2 WWV	Chwarae Teg	West Wales and the Valleys ESF	2	SO2.4
Agile Nation 2 EW	Chwarae Teg	East Wales ESF	2	SO2.3

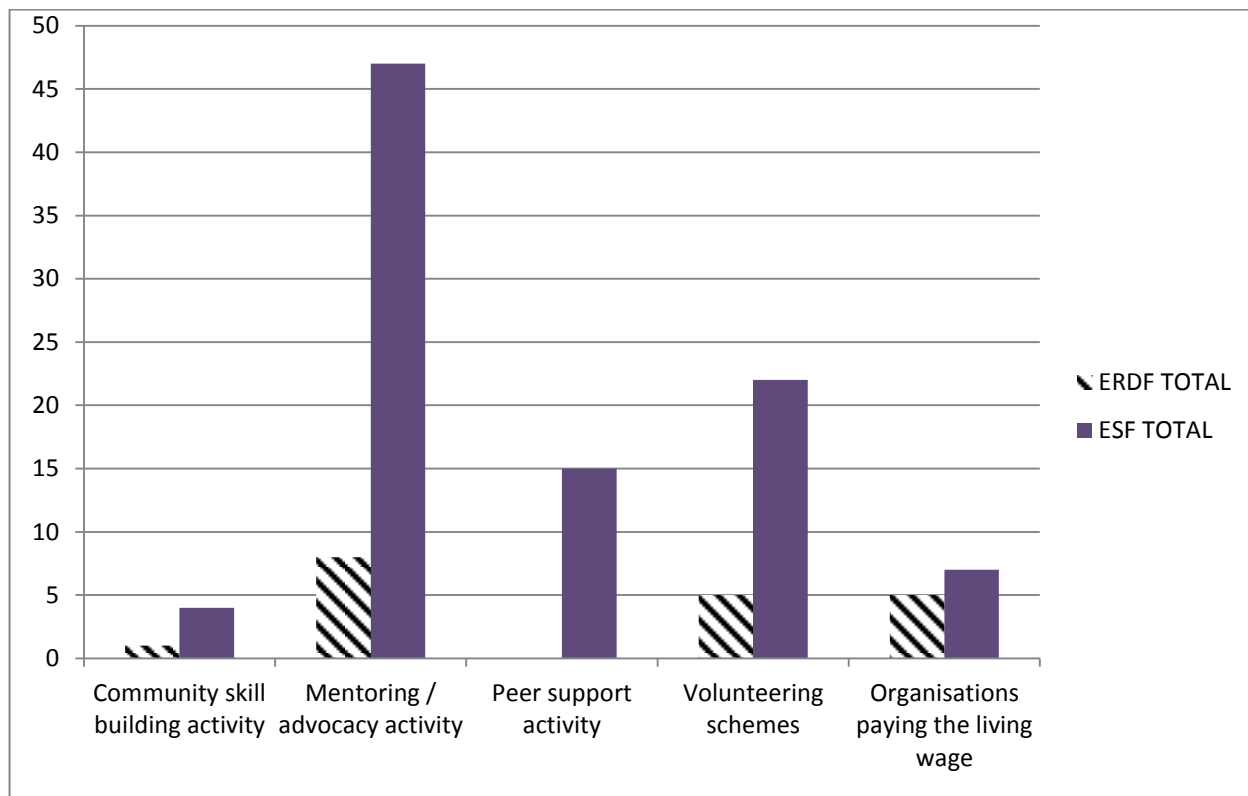
Annex 2

The following charts show the commitment operations have made to deliver activity which contributes to the cross cutting theme objectives.

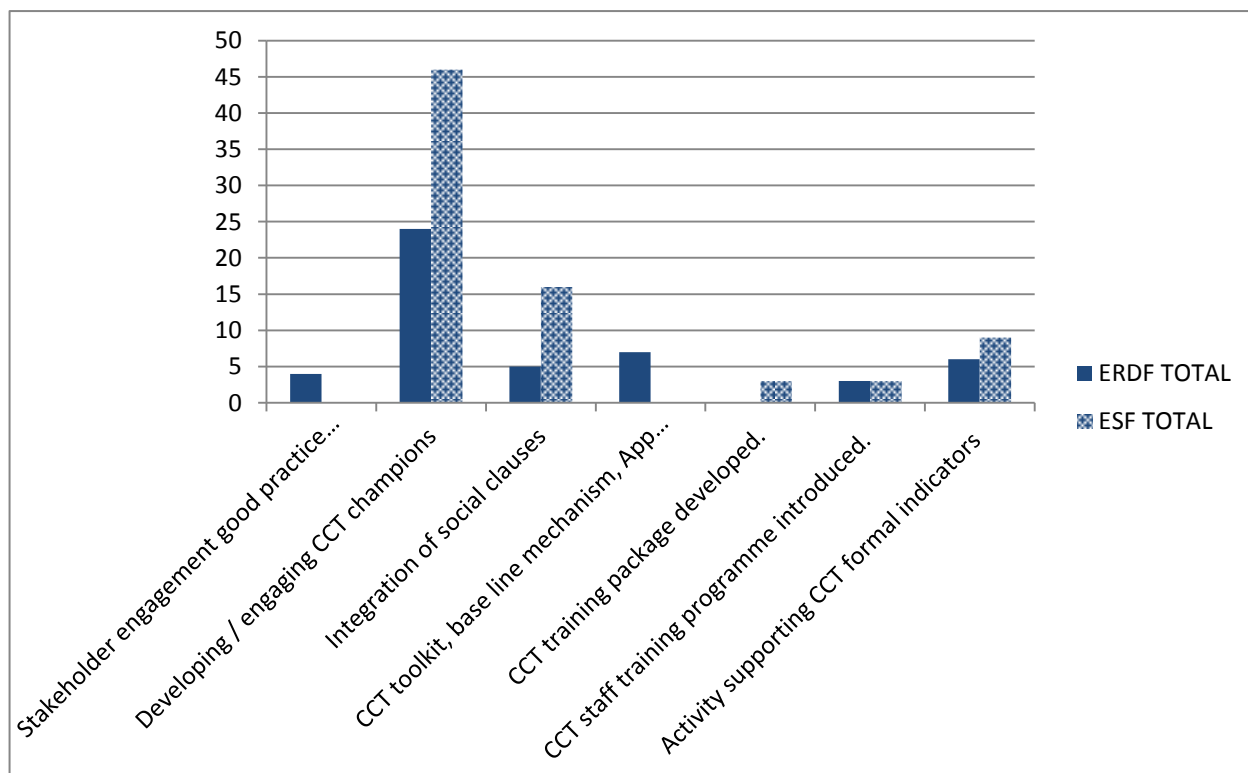
Equal Opportunities and Gender Mainstreaming



Tackling Poverty and Social Exclusion



Cross Cutting Themes General



Project Level Indicators

Some of the positive outcomes for EO&GM and TP&SE CCT's are inter-related and as such can be counted for both CCT's.

Equal Opportunities and Gender Mainstreaming

1. Positive action measures supporting women
2. Positive action measures supporting BME people
3. Positive action measures supporting young people
4. Positive action measures supporting older workers
5. Positive action measures supporting disabled people
6. Positive action measures supporting other
7. Activities which challenge occupational segregation
8. Equal Pay activity
9. Activity supporting female participation in STEM
10. Activity promoting the Welsh language
11. Activity supporting speakers of the Welsh language.
12. Disability Access Group engagement
13. Workplace health programmes supported
14. Childcare provision
15. Other care provision

Sustainable Development

1. Develop an organisational Eco Code –
2. Local sustainable supply chain development
3. Integration of small scale Green infrastructure
4. Integration of small scale Blue infrastructure
5. Activity which is supporting bio-diversity on a site funded through SF's
6. Development of an organisational Travel Plan and sustainable transport initiatives
7. Resource efficiency measures
8. Site environmental management plans
9. BREEAM excellent where applicable
10. Attainment of CEQUALL for construction activity
11. Use of Sustainable Urban drainage Systems (SUDS) where applicable

Tackling Poverty and Social Exclusion

1. Activity which builds skills within the community
2. Mentoring / advocacy activity
3. Peer support activity
4. Volunteering schemes
5. Organisations paying the living wage

Cross Cutting Themes general

1. Stakeholder engagement good practice activity
2. Developing / engaging CCT champions
3. Integrating Social Clauses into activity

4. CCT Toolkits, health checks, base lining mechanisms Apps etc.
5. CCT Training packages developed
6. CCT staff training programme introduced
7. Activity which contributes to the CCT formal indicators in priorities / objectives where they are not present.

WALES PROGRAMME MONITORING COMMITTEE EUROPEAN STRUCTURAL & INVESTMENT FUNDS 2014-2020

Future 2014-2020 All Wales PMC Arrangements

Introduction

The current (2014-2020) Programme Monitoring Committee (PMC) was formed as part of Wales' response to European Commission exhortations, to all Member States, to concentrate, integrate and simplify the deployment of European Structural and Investment Funds. It replaced the two separate PMCs that oversaw the implementation of the 2007-2013 Structural Fund and Rural Development Programmes. The formal duties of the PMC are prescribed in EU Regulations and are set out in Annex 1 to this paper for information.

Combining the two former PMCs into a single entity has entailed addressing a number of challenges. From the outset the PMC set its sights on achieving greater impact, through achieving a more focussed and joined-up approach to the deployment of ESI funds in Wales. This, in turn, has required individual PMC Members to develop their understanding of a wider range of EU funding instruments and arrangements than hitherto. It has also presented new challenges to the Managing Authorities, for example around how best to measure success in the deployment of the funds and to report on implementation progress. Configuring PMC meeting agendas such that it is possible to conduct prescribed PMC business, whilst allowing sufficient opportunity for the PMC to consider wider issues and opportunities within the confines of a single meeting, is a further example of the practical challenges associated with operating a single PMC.

In this context it should be noted that in recent correspondence, linked to the approval of RDP Annual Implementation Reports via written procedures, Members have raised concerns around the imbalance / inconsistency in PMC reporting between the different funds. These concerns derive directly from the different programme approval dates and specifically the delayed approval of the RDP. This delay has meant different programme start dates and different rates of progress with implementation. As a direct consequence, there has only been limited information available, including monitoring data on outputs and results, that can be reported to the PMC. Timings, of programme approvals and subsequent implementation, is therefore another of the key challenges associated with coordinating ESI Programme investments. Delays of the kind experienced impact negatively on the ability of the Managing Authorities to plan and act in a joined-up manner and subsequently to report on progress.

A further concern raised in the correspondence referred to above has been whether there is sufficient time available, under current PMC meeting arrangements, for all

aspects of formal PMC business to be properly transacted and for there to be adequate time given over to discuss wider issues. An individual PMC member has also questioned whether, given his current level of understanding about rural aspects of the ESI programmes, he is in a position to offer a properly informed view on the content of the RDP Annual Implementation Reports.

These recently expressed concerns, together with the result of the EU Referendum which has introduced considerable uncertainty and therefore a need to ensure effective stakeholder communication mechanisms, this paper seeks to 'take stock' of the current arrangements through which the PMC keeps stakeholders informed and proposes, for discussion, changes aimed at improving its effectiveness.

Proposed Way Forward

Despite the outcome of the EU referendum we will need to manage the ESI Funds in Wales, for a period of possibly three years or more, until the UK formally exits its relationship with the EU. In this context, it is important that Members feel confident that PMC meeting arrangements allow them to properly discharge their responsibilities and that the concerns, highlighted in the introduction to this paper, are properly addressed. A related consideration is that, as we move through the anticipated transition in our relationship with Europe, there will be a need for the PMC to engage in enhanced dialogue with the result that time pressures are more likely to increase than decrease.

In this context, to ensure that adequate time is available for the PMC to conduct its business, it is proposed that the duration of future PMC meeting should increase, with all day meetings replacing half day meetings. However, to balance this extra demand on Members' time, it is also proposed that the frequency of meetings should decrease, with a reduction from four meetings to three meetings per year.

Arranging meetings over a full day would provide an opportunity for PMC Members to engage in greater in-depth debate around key issues with, say, morning sessions configured around the specifics of individual ESI funds, or perhaps focussed on regional or thematic considerations, with the afternoon then given over to the more formal business of progress reporting etc.

To ensure that Members are able to engage productively in this new meeting format, officials will explore ways of providing information earlier in the meeting cycle, perhaps through making more use of a dedicated Member's web page, to allow sufficient opportunity for Members to consult their respective constituencies on key issues in advance of PMC meetings. This approach may have the effect of performance data being slightly more out-of-date by the time of scheduled PMC meetings, but this may be considered 'a price worth paying' if it facilitates more

informed discussions, with more up to date data being provided verbally during meetings.

These are clearly but some of the many ways through which current PMC arrangements might be re-modelled, with the model outlined above therefore being presented as a means of stimulating debate on how best to move forward.

Recommendation

1. That the PMC considers the issues and concerns documented in this paper and, taking into account the above proposal, agrees any changes it feels necessary to the format of future PMC meetings to improve their effectiveness.

Annex 1

Functions and tasks of the Programme Monitoring Committee 2014-2020

In accordance with articles 47, 48, 49 and 110 of the Common Provision Regulations and article 74 of the EAFRD regulation, the PMC:

- Must **review** implementation of the programmes and their progress towards achieving the objectives agreed with the EC. In doing so, it must consider financial data; common and programme-specific output and result indicators; and the performance framework milestones agreed with the EC.
- Must be **consulted and issue an opinion** (for or against) on any modification of a Programme put forward by the managing authority, before submission to the EC.
- Must be **consulted and issue an opinion** (for or against) on the criteria to be used to select operations to be financed by the EAFRD, within four months of the EC approving the programme. In Wales, this requirement has been extended to include **approval** of the criteria and is therefore harmonised with the approach required for ERDF and ESF.
- May issue **observations** to the programme managing authorities regarding implementation of the programmes and their evaluation. It must then monitor actions taken as a result of such observations.
- Must **examine**:
 - (a) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;
 - (b) implementation of the communication strategy;
 - (c) implementation of ERDF major projects (if applicable);
 - (d) results of audits and error rates of the programmes;
 - (e) actions taken to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for disabled persons;
 - (f) actions to promote sustainable development;
 - (g) actions to achieve any unfulfilled programme ex-ante conditionalities if within the responsibility of the programme managing authority. The PMC must also be informed of ex-ante conditionalities that are outside the responsibility of the managing authorities; and
 - (h) implementation of Financial Instruments, including the ex-ante assessments; the strategy document; the methodology for management costs and fees; and annual reports on the management costs and fees effectively paid;
 - (i) any other issues that affect the performance of the operational programme.

- The PMC must provide its **agreement** if the managing authorities want to support ERDF or EAFRD operations implemented outside of the programming area but delivering benefits to the programme area. In relation to ESF operations, the PMC must give its **agreement** if WEFO want to support ESF operations that will incur expenditure outside of the European Union in relation to the programme thematic objectives of 'promoting sustainability and quality employment and supporting labour mobility' or 'investing in education, training and vocational training for skills and lifelong learning'. In all cases, agreement may be sought either for individual operations or for specified types of operation.
- The PMC will **examine and approve**:
 - (a) the assessment methodology and selection criteria for operations to be supported by the ERDF, ESF and EAFRD. Application of the approved criteria and selection of operations/ projects is the task of the managing authority and not the PMC. The assessment and selection criteria must be designed to:
 - contribute to the achievement of the objectives and results of the agreed programme priorities
 - be transparent
 - Integrate of programme cross-cutting themes:
 - non-discrimination and gender equality
 - sustainable development
 - tackling poverty and social inclusion
 - (b) annual and final implementation reports;
 - (c) evaluation plans and any changes to the plan; and
 - (d) programme communication strategies and any changes to those strategies.
- The PMC will **examine** the Welsh Government's 'Economic Prioritisation Framework' (EPF) that will be used by funding applicants and the managing authorities to help consider strategic fit and avoid duplication with existing and planned public investment and policy initiatives in Wales. Revisions to the EPF will also be examined by the PMC.
- In relation to the implementation of the rural development programme, the PMC must consider suitable arrangements to **participate and exchange information** with the National Rural Network to exchange information.

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:

Technical Assistance Update

Issue

1. To provide members with an update on progress regarding the development and commitment of the ERDF and ESF Technical Assistance (TA) funding allocations.

Recommendation

2. Members are invited to note progress.

Background

3. Building on the successful implementation of Technical Assistance (T/A) activity in the 2007-2013 programmes, the TA- funded actions for 2014-2020 are an essential resource for further developing the audit and administrative functions of the Managing Authority (including Intermediary Bodies), Certifying Authority and Audit Authority, and in supporting the effective collaborative and integrated approaches of the 2014-20 ERDF and ESF West Wales and the Valleys and East Wales operational programmes.
4. Technical Assistance will be used to fund interventions such as:
 - Enhanced **programme management** functions, including the development and delivery of integrated and sustainable programmes; developing specialist knowledge within the Managing Authority and stakeholders; advising and supporting the development of operations, encouraging innovation, transnational cooperation, and sharing of good practice.
 - Supporting the **Programme Monitoring Committee** and its functions, including examination and review of programme implementation and progress towards achieving its objectives;
 - Providing high quality **technical advice and expert functions** to assist in the development of comprehensive and compliant programmes and operations, in for example, procurement, finance, scientific expertise, legal services, innovation and compliance;
 - The development and enhancement of **PPIMS** for the effective delivery of ESI funds and to aid e-Cohesion;
 - The provision of **specialist advice and support** to projects on the integration, implementation and monitoring of the Cross-cutting themes.
 - Programme-level **research and evaluation**, including research into the Cross-cutting themes; provision of advice and guidance to beneficiary organisations; research and evaluation dissemination and workshop events; management of research and evaluation exercises through, for example, the Evaluation Advisory Group.

- **Information and publicity**, including operation of the WEFO customer helpline, the dissemination of information, publicity and communication including guidance for partners and beneficiaries, seminars, workshops and networking events. Also, the dissemination and promotion of the impacts of enhanced integration with ESI funds and wider sector programmes such as Horizon 2020.
 - **The Certifying Authority (CA)** which has responsibility for submitting certified statements of expenditure and applications for payment to the Commission (Drawdown) and ensuring adequate assurance that the procedures and verifications carried out by the Managing Authority result in accurate declarations to the Commission. The CA also manages and monitors the results of all audits carried out by the Audit Authority, Internal Audit, Wales Audit Office and European Auditors.
 - **The Audit Authority** with responsibility for performing system audits to provide assurance about WEFO's management of European Structural Funds to the Accounting Officer and the European Commission;
 - **The Regional Engagement Teams** and the WCVA's Third Sector European Team to enable them to provide effective regional proofing of operations, promote collaboration and integration of ESI and other investments, regional prioritisation of operations and capacity building and support for the Third Sector.
5. In keeping with the design of the 2014-2020 programmes the TA funds will be focused on specific objectives which for both ERDF and ESF are:
- To ensure the efficient and effective management of the 2014-2020 programmes;
 - To provide high quality advice to key partners in the design and delivery of operations;
 - To enhance the integration and the complementarity of investments with other ESI funds and wider Commission-led and Sector-based programmes.
6. In Wales the Managing Authority and relevant stakeholders will be responsible for the delivery of the specific objectives for TA. These are:
- WEFO as Managing Authority;
 - Welsh Government (EST) and WCVA as Intermediary Bodies;
 - Regional Engagement Teams (4); and
 - WCVA's Third Sector European Team.
7. A number of key investment actions will be required to be performed by stakeholder organisations and the Managing Authority in order to achieve the Output Indicators set for the TA. Actions are not mutually exclusive to any of the objectives and have therefore been grouped around 6 key investment actions which collectively will ensure the objectives, Output Indicators and associated Results are achieved:

Action	Result	Typical Indicators	Target Value	Responsible Body
Management	Irregularity Rate <2%			WEFO
	WEFO Error rate <2%			(as MA)
	Customer satisfaction 50%	% Enquiries resolved in < 5 working days	75	
Partnership and Networking		Dissemination events	6	RETs and
		% High profile project launches	50	WCVA 3-SET
		Training events held	10	
Monitoring (PMC Support)				WEFO
Research and Evaluation		Research reports published	114	WEFO
		% Projects given M&E advice	100	
Information and Publicity		e-Newsletters Issued	72	WEFO, RETs and 3-SET
		Events organised by WEFO	10	
		Press releases issued	150	
Audit and Control	Irregularity Rate <2%	% Audit Visits	50	WEFO and Audit Authority
	WEFO Error rate <2%			

8. The current commitment position, at an exchange rate of £1: €1.25 is as follows:

Programme	Allocation	Commitment	In Development
ERDF WWV	£19,256,167	£1,953,464	£16,970,120
ESF WWV	£12,837,445	£6,738,721	£9,379,453
ERDF EW	£3,252,996	£202,909	£2,818,597
ESF EW	£3,252,996	£1,039,650	£2,318,597
Total	£38,599,604	£9,934,744	£31,307,213

9. As at 22 August 2016, 14 operations have been approved across the four operational programmes, and a further 10 are 'in development'. It is anticipated that these 10 will be approved by the end of August, possibly earlier. Full commitment of the allocations is expected in the ESF programmes, and over 92% commitment is currently anticipated in the ERDF programmes. Full achievement of the suite of indicators, captured at an all-programmes level rather than at individual programme level, is anticipated.

10. The diagram in Annex 1 illustrates the link between the specific objectives, actions, beneficiaries, finances and outcomes expected across all four operational programmes as a result of the effective use of Technical Assistance funding in 2014-20.

Next Steps

11. Another update can be provided in a future PMC meeting.

WEFO Lead: David Thomas

Approved by: Sue Price

Date: 24 August 2016

Priority Axis 5: (ESF Axis 4:) Technical Assistance

WW&Vs ERDF £19m

WW&Vs ESF £13m

EWs ERDF £3m

EWs ESF £3m

